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The Wreck of Europe

Francesco Nitti

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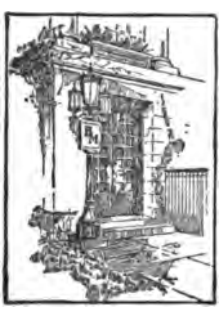

FRANCESCO NITTI

THE WRECK OF EUROPE

(L'Europa Senza Pace)

By

FRANCESCO NITTI
Former Prime Minister of Italy

PORTRAIT FRONTISPIECE

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PREFACE

In this book are embodied the ideas which, as a parliamentarian, as head of the Italian Government, and as a writer, I have upheld with firm conviction during the last few years.

I believe that Europe is threatened with decadence more owing to the Peace Treaties than as a result of the war. She is in a state of daily increasing decline, and the causes of dissatisfaction are growing apace.

Europe is still waiting for that peace which is not yet effective, and it is necessary that the public should be made aware that the courses now being followed by the policy of the great victorious states are perilous to the achievement of serious, lasting and useful results. I believe that it is to the interest of France herself if I speak the language of truth, as a sincere friend of France and a confirmed enemy of German imperialism. Not only did that imperialism plunge Germany into a sea of misery and suffering, covering her with the opprobrium of having provoked the terrible war, or at least of having been mainly responsible for it, but it has ruined for many years the productive effort of the most cultured and industrious country in Europe.

Some time ago the Ex-president of the French Republic, R. Poincaré, after the San Remo Conference, apropos of certain differences of opinion which had arisen between Lloyd George and myself on the one hand and Millerand on the other, wrote as follows:

PREFACE

"Italy and England know what they owe to France, just as France knows what she owes to them. They do not wish to part company with us, nor do we with them. They recognize that they need us, as we have need of them. Lloyd George and Nitti are statesmen too shrewd and experienced not to understand that their greatest strength will always lie in this fundamental axiom. On leaving San Remo for Rome or London let them ask the opinion of the 'man in the street.' His reply will be: *'Avant tout, restez unis avec la France.'* "

I believe that Lloyd George and I share the same cordial sentiments toward France. We have gone through so much suffering and anxiety together that it would be impossible to tear asunder chains firmly welded by common danger and pain. France will always remember with a sympathetic glow that Italy was the first country which proclaimed her neutrality, on August 2, 1914; without that proclamation the destinies of the war might have taken a very different turn.

But the work of reconstruction in Europe is in the interest of France herself. She has hated too deeply to render any sudden cessation of her hatred possible, and the treaties have been begotten in rancor and applied with violence. Even as the life of men, the life of peoples has days of joy and days of sorrow: sunshine follows the storm. The whole history of European peoples is one of alternate victories and defeats. It is the business of civilization to create such conditions as will render victory less brutal and defeat more bearable.

The recent treaties which regulate, or are supposed to regulate, the relations among peoples are, as a matter of fact, nothing but a terrible regress, the denial of all those principles which had been regarded as an inalienable conquest of public right. President Wilson, by his League of

Nations, has been the most responsible factor in setting up barriers between nations.

Christopher Columbus sailed from Europe hoping to land in India, whereas he discovered America. President Wilson sailed from America thinking that he would bring peace to Europe, but he succeeded in bringing her only confusion and war.

However, we should judge him with the greatest indulgence, for his intentions were undoubtedly sincere and honest.

France has more to gain than any other country in Europe by reverting to those sound principles of democracy which constituted her former glory. We do not forget what we owe her, nor the noble spirit which pervades some of her historic deeds. But *noblesse oblige,* and all the more binding is her duty to respect tradition.

When France shall have witnessed the gradual unfolding of approaching events, she will be convinced that he who has spoken to her the language of truth and has sought out a formula permitting the peoples of Europe to rediscover their path in life, toward life, is not only a friend, but a friend who has opportunely brought back to France's mind and heart the deeds of her great ancestors at the time when fresh deeds of greatness and glory await accomplishment. The task which we must undertake with our inmost feeling, with all the ardor of our faith, is to find once more the road to peace, to utter the word of brotherly love toward oppressed peoples, and to reconstruct Europe, which is gradually sinking to the condition of the Italy of the fifteenth century, without its effulgence of art and beauty: thirty states mutually suspicious of one another, in a sea of programs and Balkan ideas.

Toward the achievement of this work of civilization the great democracies must march shoulder to shoulder. At the present moment I hear nothing but hostile voices; but the time is not far distant when my friends of France will be marching with us along the same road. They already admit in private many things which they will presently be obliged to recognize openly. Many truths are the fruit of persuasion; others, again, are the result of corrected delusions.

I place my greatest trust in the action of American democracy.

By refusing to sanction the Treaty of Versailles and all the other peace treaties, the American Senate has given proof of the soundest political wisdom: the United States of America has negotiated its own separate treaties, and resumes its pre-war relations with victors and vanquished alike.

It follows that all that has been done hitherto in the way of treaties is rendered worthless, as the most important participant has withdrawn. This is a further motive for reflecting that it is impossible to continue living much longer in a Europe divided into two camps and in a medley of rancors and hatreds which tends to reinforce the sense of hostility.

It is of the greatest interest to America that Europe should once more be the wealthy, prosperous civilized Europe which, before 1914, ruled over the destinies of the world. Only by so great an effort can the finest conquests of civilization come back to their own.

We should remember our dead in order that their memory may prevent future generations from being saddened by other war victims. The voices of those whom we have lost should reach us as voices praying for the return of

that civilization which shall render massacres impossible, or shall at least diminish the violence and ferocity of war.

Just as the growing dissolution of Europe is a common danger, so is the renewal of the bonds of solidarity a common need.

Let us all work toward this end, even if at first we may be misunderstood and may find obstacles in our way. Truth is on the march and will assert herself: we shall strike the main road after much dreary wandering in the dark lanes of prejudice and violence.

Many of the leading men of Europe and America, who in the intoxication of victory proclaimed ideas of violence and revenge, would now be very glad to reverse their attitude, of which they see the unhappy results. The truth is that what they privately recognize they will not yet openly admit. But no matter.

The confessions which many of them have made to me, both verbally and in writing, induce me to believe that my ideas are also their ideas, and that they only seek to express them in the form and on the occasions less antagonistic to the currents of opinion that they themselves set up in the days when the chief object to be achieved seemed to be the vivisection of the enemy.

Recent events, however, have entirely changed the situation.

As I said before, the American Senate has not sanctioned the Treaty of Versailles, nor will it approve it. The United States of America is making treaties on its own account.

Agreements of a military character had been arrived at in Paris: the United States of America and Great Britain guaranteed France against any future unjust attack by Germany. The American Senate did not sanction

the agreement; in fact, it did not even discuss it. The House of Commons had approved it subject to the consent of the United States. Italy has kept aloof from all alliances. As a result of this situation, the four Entente Powers, "Allied and Associated" (as formerly was the official term), have ceased to be either "allied" or "associated" after the end of the war.

On the other hand, Europe, after emerging from the war, is darkened and overcast by intrigues, secret agreements and dissimulated plots: fresh menaces of war and fresh explosions of dissatisfaction.

Nothing will advance peace more than to give the people a knowledge of the real situation. Errors thrive in darkness while truth walks abroad in the full light of day. It has been my intention to lay before the public those great controversies which can not merely form the object of diplomatic notes or of posthumous books presented to Parliament in a more or less incomplete condition after events have become irreparable.

The sense of a common danger, threatening all alike, will prove the most persuasive factor in swerving us from the perilous route which we are now following.

As a result of the war the bonds of economic solidarity have been torn asunder: the losers in the war must not only make good their own losses, but, according to the treaties, are expected to pay for all the damage that the war has caused. Meanwhile all the countries of Europe have only one prevailing fear: German competition. In order to pay the indemnities imposed upon her (and she can only do it by exporting goods), Germany is obliged to produce at the lowest possible cost, which necessitates the maximum of technical progress. But exports at low cost must in the long run prove detrimental, if not destructive,

to the commerce of neutral countries, and even to that of the victors. Thus in all tariffs which have already been published or which are in course of preparation there is one prevailing object in view: that of reducing German competition, which practically amounts to rendering it impossible for her to pay the war indemnity.

If winners and losers were to abandon war-time ideas for a while, and, rather, were to persuade themselves that the oppression of the vanquished can not be lasting, and that there is no other logical way out of the difficulty but that of small indemnities payable in a few years, debiting to the losers in tolerable proportion all debts contracted toward Great Britain and the United States, the European situation would immediately improve.

Why is Europe still in such economic confusion? Because the confusion of moral ideas persists. In many countries nerves are still as tense as a bowstring, and the language of hatred still prevails. For some countries, as for some social groups, war has not yet ceased to be. One hears now in the countries of the victors the same arguments used as were current coin in Germany before the war and during the first phases of the war; only now and then, more as a question of habit than because they are truly felt, we hear the words justice, peace and democracy.

Why is the present state of discomfort and dissatisfaction on the increase? Because almost everywhere in Continental Europe, in the countries which have emerged from the war, the rate of production is below the rate of consumption, and many social groups, instead of producing more, plan to possess themselves with violence of the wealth produced by others. At home, the social classes, unable to resist, are threatened; abroad, the vanquished,

equally unable to resist, are menaced, but in the very menace it is easy to discern the anxiety of the winners. Confusion, discomfort and dissatisfaction thus grow apace.

The problem of Europe is above all a moral problem. A great step toward its solution will have been accomplished when conquerors and conquered persuade themselves that only by a common effort can they be saved, and that the best enemy indemnity consists in peace and common toil. Now that the enemy has lost all he possessed and threatens to make us lose the fruits of victory, one thing alone is necessary: to rediscover not merely the language but the ideas of peace.

During one of the last international conferences at which I was present, and over which I presided, at San Remo, after a long exchange of views with the British and French Premiers, Lloyd George and Millerand, the American journalists asked me to give them my ideas on peace: "What is the most necessary thing for the maintenance of peace?" they inquired.

"One thing only," I replied, "is necessary. Europe must smile once more." Smiles have vanished from every lip; nothing has remained but hatred, menaces and nervous excitement.

When Europe smiles again she will find again the political bases of peace and will drink once more at the spring of life. Class struggles at home, in their acutest form, are like the competition of nationalism abroad: explosions of cupidity, masked by the pretext of the country's greatness.

The deeply rooted economic crisis, which threatens and prepares new wars, the deeply rooted social crisis, which threatens and prepares new civil conflicts, are merely the expression of a state of mind. Statesmen are the most

directly responsible for the continuation of a language of violence; they should be the first to speak the language of peace.

F. N.

ACQUAFREDDA IN BASILICATA.

September 30, 1921.

P. S.—*Peaceless Europe* is an entirely new book, which I have written in my hermitage of Acquafredda, facing the sea; it contains, however, some remarks and notices which have already appeared in articles written by me for the great American agency, the *United Press,* and which have been reproduced by the American papers.

I have repeatedly stated that I have not published any document that was not meant for publication; I have availed myself of my knowledge of the most important international acts and of all diplomatic documents merely as a guide, but it is on facts that I have solidly based my considerations.

J. Keynes and Robert Lansing have already published some very important things, but no secret documents; recently, however, Tardieu and Poincaré, in the interest of the French nationalist thesis which they sustain, have published also documents of a more private nature. Tardieu's book is a documentary proof of the French Government's extremist attitude during the conference, amply showing that the present form of peace has been desired almost exclusively by France, and that the others have been unwilling parties to it. Besides his articles in the *Revue des Deux Mondes,* Poincaré has recently published in the *Temps* (September 12, 1921) a whole secret correspondence between Poincaré, President of the Republic, Clemenceau, President of the Council of Ministers, the American Delegation, and, above all, Lloyd George.

The author includes in the book numerous secret official documents that emanated from the Peace Conference and which came into his hands in his position, at that time, as Italian prime minister. Among these is a long and hitherto unpublished secret letter sent by Lloyd George to Nitti, Wilson, Clemenceau, and the other members of the Peace Conference.

PREFACE TO THE AMERICAN EDITION

Scarcely had this book appeared in the Italian edition than it was translated and published in many languages and distributed in many editions. In Europe and in America it aroused both in parliaments and in the newspapers the most lively discussion. This reception proves but one thing: the ideas which the book contains, and they are those from which I have never departed even at the time when war hatred and national self-seeking were most widely prevalent, are making their way. They will prevail.

France received as a result of the war new territories, control of raw materials, new colonies and new organizations abroad; Italy remains free within her own boundaries and has realized even if but partly and at very great price some of her national aspirations, yet both declare that they are not able to pay the debts contracted by them during the war. England herself has not yet been able to pay. On the other hand, Germany is not free; she is shackled and exhausts her remaining strength in the struggle against a hopeless financial situation. She has lost her fleet, her colonies, a large part of her raw materials, her commercial organization abroad. Furthermore she must at heavy cost maintain upon her own soil the Entente's army of occupation. The expense accounts that are still being charged up against her are not only an insult to the conquered; they are also a reflection on the right-

mindedness and the honesty of the conquerors. But when nothing is more evident than Germany's insolvency we hear men discussing seriously the indemnities which the vanquished are to pay in order to reestablish the finances of the victors.

Perhaps, as has been shrewdly said, the debts contracted during the war will neither be paid nor canceled. On the one hand America can not persuade herself that her citizens should tax themselves heavily in order to contribute to this chaotic European situation in which violence rules supreme and in which questions of justice and right are daily trampled under foot. On the other hand the victorious countries of Europe have still a long way to go before they will find any improvement in their situation. But the truths which were erstwhile neglected and disregarded are daily forcing themselves upon our attention. Many intelligent men are beginning to be troubled by doubts. To be sure, there are still those who threaten and maintain the extreme position. They hold that there must be no departure from the treaties that have been made, and in the name of the rights of victory they defend the policy of ruin. The attention of the world, however, is being centered upon the question of the reconstruction of Europe as a vital necessity and as the condition of security for the victorious countries themselves.

Even Great Britain, which is the richest country of Europe, is paralyzed in all its activities as a result of the disappearance of her Russian trade and the virtual loss of her markets in Central Europe. In the memorandum of Lloyd George at the conference of Cannes there is the explicit statement that even the British people will be unable to prevent themselves from being drawn down into the general impoverishment if the system now in force as

a result of the Treaty of Versailles is not broken. There are in Great Britain about two million men out of work and the subsidies paid for the relief of the unemployed have in a single week surpassed two million pounds sterling. With his customary clear-headedness, Lloyd George has been willing to recognize the truths which I have proclaimed. He has recognized the impending disaster concerns both victors and vanquished. He has recognized the damage already done to European civilization which is headed toward a social and economic catastrophe. And since he realized that every month's delay means a frightful increase in human misery and threatens civilization itself, he decided to invite the governments of France and Italy to work together in close cooperation. This cooperation must aim at maintaining peace among the nations and at reducing national armaments, for, as the British Government has solemnly affirmed, only in this manner will Europe obtain that feeling of security which is necessary to the existence of civilized peoples.

Undoubtedly further conferences will follow that held in Washington, and it is necessary that the victors and the vanquished of to-day, forgetting their former antagonisms, meet together and discuss coolly the common dangers of the future.

The decisions which have been reached in recent months in nearly all parliaments, and the communications which I have received since the publication of my book from some of the most eminent statesmen of Europe and America, show that the truth is making its way. Furthermore many of the most illustrious and influential political figures in Europe, though they do not yet dare to shatter the illusion which still dominates the masses in many of the victorious countries, now no longer conceal the fact that

henceforth the question of reconstruction interests almost to the same degree both the conquerors and the conquered. We shall not reestablish our finances, and what is more important, we shall have no assurance of safety, without a true peace; and we shall not establish a true peace without a larger measure of justice. And this is the case since it is evident that to-day more than ever before problems that have to do with our financial prosperity are merely problems of justice and of peace.

F. N.

March 20, 1922.

The present volume—the first to be published in the United States—is a translation of the second revised and enlarged edition of Ex-premier Francesco Nitti's *L'Europa Senza Pace.* As a result of the discussion which the first edition aroused on the Continent and in England and because of changes in the rapidly shifting European situation, Signor Nitti has made a number of additions which are here for the first time offered for the consideration of the English reading public. For the translation of these newer sections the publishers wish to acknowledge their obligations to Christian Gauss, Professor of Modern Languages at Princeton University. Professor Gauss has also corrected and thoroughly revised the original translation, made in England and is happily responsible for the present volume's greater clarity as well as its substantial accuracy.

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THE WRECK OF EUROPE

I

EUROPE WITHOUT PEACE

Is THERE any one who still remembers Europe as it was in the first months of 1914 or who can clearly recall the situation that preceded the first year of the war? It all seems terribly remote, something like a prehistoric era, not only because the conditions of life have changed, but because our view-point on life has swerved to a different angle.

Something like thirty million dead have created a chasm between two ages. War killed many millions, disease accounted for many more, but the hardiest reaper has been famine. The dead have built up a great barrier between the Europe of yesterday and the Europe of to-day.

We have lived through two historic epochs, not through two different periods. Europe was happy and prosperous, while now, after the terrible World War, she is threatened with a decline and a reversion to brutality which suggest the fall of the Roman Empire. We ourselves do not quite understand what is happening around us. More than two-thirds

of Europe is in a state of ferment, and everywhere there prevails a vague sense of uneasiness, that tends to make impossible enterprises which call for unified and coordinated social effort. We live, as the saying is, "from hand to mouth."

Before 1914, Europe had enjoyed a prolonged period of peace, attaining a degree of wealth and civilization unrivaled in the past.

In Central Europe, Germany had sprung up. After the Napoleonic invasions, in the course of a century, Germany, which a hundred years ago seemed of all European countries the least disposed to militarism, had developed into a great military monarchy. From being the most decentralized country, Germany had in reality become the most unified state. But what constituted her strength was not so much her army and navy as the prestige of her intellectual development. She had achieved it laboriously, almost painfully, on a soil that was not fertile and within a limited territory, but, thanks to the tenacity of her effort, in every branch of activitiy she succeeded in winning a prominent place in the world-race for supremacy. Her universities, her institutes for technical instruction, her schools, were a model for the whole world. In the course of a few years she had built up a merchant fleet that seriously threatened those of other countries. Having arrived too late to create a real colonial empire of her own, such as those of France and England, she nevertheless succeeded in exploiting her colonies most intelligently.

In the field of industry she appeared to beat all competitors from a technical point of view; and even in those industries which were not hers by habit and tradition she developed so powerful an organization as to appear almost miraculous. Germany held first place not only in the metallurgical and mechanical industries, but also in the production of dyes and chemicals. Men went there from all parts of the world not only to trade but to acquire knowledge. An ominous threat weighed on the empire, namely the constitution of the state itself, essentially militaristic and bureaucratic. Not even in Russia, perhaps, were the reins of power held in the hands of so few as they were in Germany and Austria-Hungary.

A few years before the World War one of the leading European statesmen told me that there was everything to be feared for the future of Europe where the peoples of Russia, Germany and Austria-Hungary, about two-thirds of the whole continent, were governed in an almost irresponsible manner by men without will or intelligence: the czar of Russia; the German kaiser, a madman without a spark of genius, and the emperor of Austria-Hungary, an obstinate old man hedged in by his ambition. Not more than thirty persons, he added, act as a controlling force on these three irresponsible sovereigns, who might assume, on their own initiative, the most terrible responsibilities.

The magnificent spiritual gifts of the Germans gave them an Immanuel Kant, the greatest thinker of

modern times, Beethoven, their greatest exponent of music, and Goethe, their greatest poet. But the imperial Germany which came after the victory of 1870 had limited the spirit of independence even in the manifestations of literature and art. There still existed in Germany the most widely known men of science, the best universities, the most up-to-date schools; but the clumsy mechanism tended to crush rather than to encourage all personal initiative. Great manifestations of art or thought are not possible without the most ample spiritual liberty. Germany was the most highly organized country from a scientific point of view, but at the same time the country in which there was the least liberty for individual initiative. It went on like a huge machine: that explains why, after the war had thrown it out of gear, it almost stopped, and the whole life of the nation was paralyzed while there were very few individual impulses of reaction. Imperial Germany has always been lacking in political ability, perhaps not only through a temperamental failing, but chiefly owing to her militaristic education.

Before the war, Germany surpassed her neighbors in all those branches of activity which are the result of organized effort: in science, industry, banking, commerce, etc. But in one thing she did not excel, and still less after the war, namely, in politics. When the German people was blessed with a political genius, such as Frederick the Great or Bismarck, it achieved the height of greatness and glory. But when the same people, after obtaining the maximum

of power, found on its path William II with his mediocre collaborators, it ruined, by war, a colossal work, not only to the great detriment of the country, but also to that of the victors themselves, of whom it can not be said with any amount of certainty, as far as the Continental Powers are concerned, whether they are the winners or the losers, so great is the ruin threatening them, and so vast the material and moral losses sustained.

I have always felt the deepest aversion for William II. As recently as ten years ago he was still treated with the greatest sympathy both in Europe and America. Even democracies regarded with ill-concealed admiration the work of the kaiser, who brought everywhere his voice, his enthusiasm, his activity, to the service of Germany. As a matter of fact, his speeches were poor in phraseology, a mere conglomerate of violence, prejudice and ignorance. As no one believed in the possibility of a war, no one troubled about it. But after the war nothing has been more harmful to Germany than the memory of those ugly speeches, unrelieved by any noble idea, and full of a clumsy vulgarity set forth in a pretentiously solemn and majestic fashion. Some of his threatening utterances—such as the address to the troops sailing for China in order to quell the Boxer rebellion, the constant association in all his speeches of the great idea of God, with the ravings of a megalomaniac, the frenzied oratory in which he indulged at the beginning of the war—have harmed Germany more than anything else. It is possible to

lose nobly; but to have lost a great war after having won so many battles would not have harmed the German people if it had not been represented abroad by the presumptuous vulgarity of the kaiser and of all the members of his entourage, who were more or less guilty of the same attitude.

Before the war Germany had everywhere attained first place in all forms of activity, except, perhaps, in certain spiritual and artistic manifestations. She admired herself too much and with too evident a complacency, but she achieved for herself through her magnificent expansion a position of unrivaled greatness and prosperity.

By common consent Germany held first place. Probably this consciousness of power, together with the somewhat brutal forms of the struggle for industrial supremacy, as in the case of the iron industry, threw a mysterious and threatening shadow over the seemingly monumental structure of the empire.

When I was minister of commerce in 1913 I received a deputation of German business men who wished to confer with me on the Italian customs régime. They spoke openly of the necessity of possessing themselves of the iron mines of French Lorraine; they looked on war as a factor in industrial development. Germany had enough coal but needed iron, and the Press of the iron industry disseminated ideas of war. After the conclusion of peace, when France, through a series of wholly unexpected events, saw Germany prostrate at her feet and without an army, the same phenomenon took

place. The iron industry is gaining strength in France; she has the iron and now she wants coal. Should she succeed in getting it, German production would be doomed. To deprive Germany of Upper Silesia would mean killing production after having disorganized the foundations of its development.

Seven years ago, or thereabouts, Germany was flourishing in an unprecedented manner and presented the most favorable conditions for developing. The prosperity of her increasing population was amazing. Placed in the center of Europe after having withstood the push of so many peoples, she had attained an unrivaled economic position.

Close to Germany the Austro-Hungarian Empire was uniting, not without difficulty, eleven different peoples, and this union was tending to the common elevation of all. The vast monarchy, thanks to a process of slow agglomeration and methods of violence and administrative sagacity, represented, perhaps, the most interesting historic attempt on the part of different peoples to achieve a common rule and discipline on the same territory. Having successfully weathered the most terrible financial crises, and having healed in half a century the wounds of two great wars which she had lost, Austria-Hungary lived in the effort of holding together Germans, Magyars, Slavs and Italians and keeping them from flying at one another's throats. Time will show that the effort of Austria-Hungary has not been lost for civilization.

Russia represented the largest empire that has

ever existed, and in spite of its defective political régime was daily progressing. Perhaps for the first time in history an immense empire of twenty-one millions and a half of square kilometers, eighty-four times the size of Italy, almost three times as large as the United States of America, was ruled by a single man. From the Baltic to the Yellow Sea, from Finland to the Caucasus, one law and one rule governed the most different peoples scattered over an immense territory. The methods by which, after Peter the Great, the old Duchy of Muscovy had been transformed into an empire, still lived in the administration; they survive to-day in the Bolshevist organization, which represents less a revolution than a hieratic and brutal form of violence placed at the service of a political organization.

The war between Russia and Japan had revealed all the perils of a political organization exclusively based on central authority represented by a few irresponsible men under the apparent rule of a sovereign not gifted with the slightest glimmer of will power.

Those who exalt nationalist sentiments and pin their faith on imperialistic systems fail to realize that while the greatest push toward the war came from countries living under a less liberal régime, those very countries gave proof of the least power of resistance. Modern war means the full exploitation of all the human and economic resources of each belligerent country. The greater a nation's wealth the greater is the possibility to hold out, and the

perfection of arms and weapons is in direct ratio with the degree of technical progress attained. Moreover, the combatants and the possibility of using them are in relation with the number of persons who possess sufficient skill and instruction to direct the war. Germany, Great Britain, France, Italy, the United States of America, were able without any appreciable effort to improvise an enormous number of officers for the war, transforming professional men, engineers and technicians into officers. Russia, who did not have a real industrial bourgeoisie nor a sufficient development of the middle classes, was only able to furnish an enormous number of combatants, but an insufficient organization from a technical and military point of view, and a very limited number of officers. While on a peace footing her army was the largest in the world, over one million three hundred thousand men; when her officers began to fail Russia was unable to replace them as rapidly as the proportion of nine or ten times more than normal required by the war.

Russia has always had a latent force of development; there is within her a *vis inertiæ* equivalent to a mysterious energy of expansion. Her birth-rate is higher than that of any other European country; she does not progress, she increases. Her weight acts as a menace to neighboring countries, and although by a mysterious historic law the primitive migrations of peoples and the ancient invasions for the most part originated within the territories now occupied by Russia, the latter nevertheless suc-

ceeded in amalgamating widely different peoples and in creating unity where no affinity appeared possible.

At any rate, although suffering from an excessively centralized government and a form of constitution that did not allow the development of popular energies nor a sufficient education of the people, Russia was perhaps, half a century before the war, the European country which, considering the difficulties in her path, had accomplished most progress.

European Russia, with her yearly excess of from one million and a half to two million births over deaths, with the development of her industries and the formation of important commercial centers, had been progressing very rapidly and was about to become the center of European politics.

When it will be possible to examine carefully the diplomatic documents of the war, and time will allow us to judge them calmly, it will be seen that Russia's attitude was the real and underlying cause of the world-conflict. She alone promoted and kept alive the agitations in Serbia and of the Slavs in Austria; she alone in Germany's eyes represented the peril of the future. Germany has never believed in a French danger. She knew very well that France, single-handed, could never have withstood Germany, numerically so much her superior. Russia was the only danger that Germany saw, and the continual increase of the Russian Army was her gravest preoccupation. Before the war, when Italy was Germany's ally, the leading German statesmen with

whom I had occasion to discuss the situation did nothing but allude to the Russian peril. It was known (and subsequent facts have amply proved it) that the czar was absolutely devoid of will power, that he was led and carried away by conflicting currents, and that his advisers were for the most part favorable to the war. After the Japanese defeat the militarist party felt keenly the need for just such a great military revival and a brilliant *revanche* in Europe.

Possessing an enormous wealth of raw materials and an immense territory, Russia represented Europe's great resource, her support for the future.

If the three great empires had attained enviable prosperity and development in 1914, when the war broke out, the three great Western democracies, Great Britain, France and Italy, had likewise progressed immensely.

Great Britain, proud of her "splendid isolation," and ruler of the seas, traded in every country of the world. Having the most extensive empire, she was also financially the greatest creditor country: creditor of America and Asia, of the new African States and of Australia. Perhaps all this wealth had before the war somewhat diminished the spirit of enterprise and it may be that popular culture also suffered from this unprecedented prosperity. There was an absence of that spasmodic effort noticeable in Germany, but a continuous and secure expansion, an indisputed supremacy was apparent. Although somewhat preoccupied at Germany's progress and

regarding it as a peril for the future, Great Britain attached more importance to the problems of her empire, namely to her internal constitution: like ancient Rome, she was a truly imperial country in the security of her supremacy, in her calm, in her forbearance.

France continued patiently to accumulate wealth. She did not increase her population, but ably added to her territory and her savings. Threatened with the phenomenon known to political economists under the name of "oliganthropy," or lack of men, she had founded a colonial empire that may be regarded as the largest on earth. It is true that the British colonies, even before the war, covered an area of thirty million square kilometers, while France's colonial empire exceeded but slightly twelve millions. But it must be remembered that the British colonies are not colonies in the proper sense of the word, but consist chiefly in dominions which enjoy an almost complete autonomy. Canada alone represents about one-third of the territories of the British Dominions; Australia and New Zealand more than one-fourth, and Australasia, the South African Union and Canada put together represent more than two-thirds of the empire, while India accounts for about fifty per cent. of the missing third. Next to England, France was the most important creditor country. Her astonishing capacity for saving increased in proportion with her wealth. Without having Germany's force of development and Great Britain's power of expansion, France enjoyed a

wonderful prosperity, and her wealth was scattered all over the world.

Italy had arisen under the greatest difficulties, but in less than fifty years of unity she progressed steadily. Having a territory too small and mountainous for a population already overflowing and constantly on the increase, Italy had been unable to exploit the limited resources of her subsoil and had been forced to build up her industries in conditions far less favorable than those of other countries. Italy is perhaps the only great nation that has succeeded in developing industries without having any coal of her own and very little iron. But the acquisition of wealth, extremely difficult at first, had gradually been rendered more easy by the improvement in technical instruction and methods, for the most part borrowed from Germany. On the eve of the war, after a period of thirty-three years, the Triple Alliance had rendered the greatest services to Italy, fully confirming Crispi's political intuition. France, with whom we had had serious differences of opinion, especially after the Tunis affair, did not dare to threaten Italy because the latter belonged to the Triple Alliance; for the same reason all ideas of a conflict with Austria-Hungary had been set aside because of her forming part of the "Triplice."

During the Triple Alliance Italy built up all her industries, she consolidated her national unity and prepared her economic transformation, which was fraught with considerable difficulties. As a result of the fecundity of her race and the narrowness of

her confines her sons and her power were rapidly spreading to all parts of the earth.

The greater states were surrounded by minor nations which had achieved considerable wealth and great prosperity.

Europe throughout her history had never been so rich, so far advanced on the road to progress. Nor had she ever before achieved in so high a degree the sense of community of civilization and of life. As regards production and exchanges she was really a living unity. The vital lymph was not limited to this or that country, but flowed with an even current through the veins and arteries of the various nations through the great organizations of capital and labor, promoting a continuous and increasing solidarity among all the parties concerned.

In fact, the idea of solidarity had greatly progressed: economic, moral and spiritual solidarity.

Moreover, the idea of peace, although threatened by military oligarchies and by industrial corners, was firmly based on the sentiments of the great majority. The strain of barbaric blood which still ferments in many populations of Central Europe constituted—it is true—a standing menace; but no one dreamed that the threat was about to be followed, lightning-like, by facts, and that we were on the eve of a catastrophe.

Europe had forgotten what hunger meant. Never had Europe had at her disposal such abundant economic resources or a greater increase in wealth.

Wealth is not our final object in life. But a

minimum of means is an indispensable condition of life and happiness. Excessive wealth may lead both to moral elevation and to depression and ruin.

Europe had not only increased her wealth but developed the solidarity of her interests. Europe is a small continent, about as large as Canada or the United States of America. But her economic ties and interests had been steadily on the increase.

Now the development of her wealth meant for Europe the development of her moral ideas and of her social life and aspirations. We admire a country not so much for its wealth as for the tasks which that wealth enables it to accomplish.

Although peace be the aspiration of all peoples, even as physical health is the aspiration of all living beings, there are wars that can not be avoided, as there are diseases that help us to overcome an organic crisis to which we might otherwise succumb. War and peace can not be regarded as absolutely bad or absolutely good and desirable; war is often waged in order to secure peace. In certain cases war is not only a necessary condition of life but may be an indispensable condition of progress.

We must consider and analyze the sentiments and psychological causes that bring about a war. A war waged by a downtrodden nation to reestablish its independence from another nation is perfectly legitimate, even from the point of view of abstract morality. A war that has for its object the conquest of political or religious liberty can not be condemned even by the most confirmed pacificist.

Taken as a whole, the wars fought in the nineteenth century, wars of nationality, of independence, of unity, even colonial wars, were of a character far less odious than that of the great conflict which has devastated Europe and upset the economic conditions of the world. It has not only been the greatest war in history, but in its consequences it threatens to prove the worst war that has ravaged Europe in modern times.

After nearly every nineteenth-century war there has been a marked revival of human activity. But this unprecedented clash of peoples has reduced the energy of all; it has darkened the minds of men, and spread the spirit of violence.

Europe will be able to make up for her losses in lives and wealth. Time heals even the most painful wounds. But one thing she has lost which she must recover or she will become decadent. That one thing is the spirit of solidarity.

After the victory of the Entente the microbes of hate have developed and flourished in special cultures, consisting of national egotism, imperialism, and a mania for conquest and expansion.

The peace treaties imposed on the vanquished are nothing but instruments of oppression. What more could Germany herself have done had she won the war? Perhaps her terms would have been more lenient. Certainly they would not have been more severe, for she would have understood that conditions such as we have imposed on the losers are simply inapplicable.

Three years have elapsed since the end of the war, two since the conclusion of peace, nevertheless Europe has to-day more men under arms than in pre-war times. The sentiment of nationality, twisted and transformed into nationalism, aims at the subjugation and oppression of other peoples. No civilized coordinated life is possible where each nation proposes to harm instead of helping its neighbor.

The spread of hatred among peoples has everywhere rendered more difficult the internal relations between social classes and the economic life of each country. Looking forward to further conflicts, and goaded on by that spirit of unrest and intolerance engendered everywhere by the war, workers are becoming every day more exacting. They, too, claim their share of the spoils; they, too, clamor for indemnities from the enemy. The same manifestations of hate, the same violence of language, spread from people to people and from class to class.

This tremendous war, which the peoples of Europe have fought and suffered, has not only bled the losers almost to death, but it has deeply perturbed the very life and existence of the victors. It has not produced a single manifestation of art nor a single moral affirmation. For the last seven years the universities of Europe appear to be stricken with paralysis: not one outstanding personality has been revealed.

In almost every country the war has brought a sense of internal dissolution: everywhere this dis-

quieting phenomenon is more or less noticeable. With the exception, perhaps, of Great Britain, whose privileged insular situation, enormous merchant marine and flourishing trade in coal have enabled her to resume her pre-war economic existence almost entirely, no country has noted any perceptible improvement in its condition since the close of the war. The rates of exchange soar daily to fantastic heights, and insuperable barriers to the commerce of European nations are being created. People work less than they did in pre-war times, but everywhere a tendency is noticeable to consume more. Austria, Germany, Italy, France are not different phenomena, but different manifestations and phases of the same phenomenon.

Before the war Europe, in spite of her great subdivisions, represented a living economic whole. To-day there are not only victors and vanquished, but currents of hate, ferments of violence, a hungering after conquests, an unscrupulous cornering of raw materials carried out brutally and almost ostentatiously in the name of the rights of victory: a situation that renders production, let alone its development and increase, utterly impossible.

The treaty system as applied after the war has divided Europe into two distinct parts: the losers, held under the military and economic control of the victors, are expected to produce not only enough for their own needs, but to provide a super-production in order to indemnify the winners for all the losses and damages sustained on account of the war. The

victors, bound together in what is supposed to be a permanent alliance for the protection of their common interests, are to exercise military force as a means of oppression and control over the losers until the full payment of the indemnity. Another part of Europe is in a state of revolutionary ferment, and the Entente Powers have, by their attitude, rather tended to aggravate than to improve the situation.

Europe can recover peace only by remembering that the war is over. Unfortunately, the system created by the treaties not only prevents us from remembering that the war is ended, but determines a state of permanent war.

Clemenceau bluntly declared to the French Chamber that treaties were a means of continuing the war. He was perfectly right, for war is being waged more bitterly than ever, and peace is more remote.

The problem with which modern statesmen are confronted is very simple: can Europe continue in her decline without involving the ruin of civilization? And is it possible to stop this process of decay without finding some form of civil symbiosis which will insure for all men a more human mode of living? In the affirmative case what action can we take? Furthermore will it be possible to carry out such action, given the national and economic interests now openly and bitterly in conflict?

We have before us a problem, or rather a series of problems, which call for impartiality and calm if

a satisfactory solution is to be arrived at. Perhaps if some fundamental truths were brought home to the people, or, to be more exact, to the peoples now at loggerheads with one another, a notion of the peril equally impending upon all concerned and the conviction that an indefinite prolongation of the present state of things is impossible, would prove decisive factors in restoring a spirit of peace and in reviving that spirit of solidarity which now appears spent or slumbering.

But in the first place it is necessary to review the situation, such as it is at the present moment:

1. Europe, which was the creditor of all other continents, has now become their debtor.

2. Her working capacity has greatly decreased, chiefly owing to a change for the worse in her vital statistics. In pre-war times the ancient continent supplied new continents and new territories with a hardy race of pioneers, and held the record as regards population, both adult and infantile, the prevalence of women over men being especially noted by statisticians. All this has changed considerably for the worse!

3. On the losing nations, including Germany, which is generally understood to be the most cultured nation in the world, the victors have forced a peace which practically amounts to a continuation of the war. The vanquished have had to give up their colonies, their shipping, their credits abroad, and their transferable resources, besides agreeing to the military and economic control of the Allies; more-

over, despite their desperate conditions, they are expected to pay an indemnity, the amount of which, although hitherto only vaguely mentioned, surpasses by its very absurdity all possibility of an even remote settlement.

4. Considerable groups of ex-enemy peoples, chiefly Germans and Magyars, have been assigned to populations of an inferior civilization.

5. As a result of this state of things, while Germany, Austria and Bulgaria have practically no army at all and have submitted without the slightest resistance to the most stringent forms of military control, the victorious states have increased their armies and fleets to proportions which they did not possess before the war.

6. Europe, cut up into more than thirty states, daily sees her buying capacity decreasing and the rate of exchange rising against her.

7. The peace treaties are the most barefaced denial of all the principles which the Entente Powers declared and proclaimed during the war; not only so, but they are a fundamental negation of President Wilson's fourteen points which constituted a solemn obligation, not only with the enemy, but with the democracies of the whole world.

8. The subsequent moral unrest has divided the various Entente Powers, the United States of America, Great Britain, France and Italy, not only in their aims, but in their sentiments. The United States is anxious to get rid, as far as possible, of European complications and responsibilities;

France is pursuing aims and methods with which Great Britain and Italy are not wholly in sympathy, and it can not be said that the three Great Powers of Western Europe are in perfect harmony. There is still a great deal of talk about common ends and ideals, and the necessity of applying the treaties in perfect accord and harmony, but everybody is convinced that to enforce the treaties, without attenuating or modifying their terms, would mean the ruin of Europe and the collapse of the victors after that of the vanquished.

9. A keen contest of nationalisms, land-grabbing and cornering of raw materials renders friendly relations between the thirty weakened states of Europe extremely difficult. The most characteristic examples of nationalist violence have arisen out of the war, as in the case of Poland and other newborn states, which pursue vain dreams of empire while on the verge of dissolution through sheer lack of vital strength and energy, and become every day more deeply engulfed in misery and ruin.

10. Continental Europe is on the eve of a series of fresh and more violent wars among peoples, threatening to submerge civilization unless some means be found to replace the present treaties, which are based on the principle that it is necessary to continue the war, by a system of friendly agreements whereby winners and losers are placed on a footing of liberty and equality, and which, while laying on the vanquished a weight they are able to bear, will liberate Europe from the present spectacle of a con-

tinent divided into two camps, where one is armed to the teeth and threatening, while the other, unarmed and inoffensive, is forced to labor in slavish conditions under the menace of a servitude even more severe.

11. The moral level of Europe is daily being lowered. The policies pursued toward the conquered have no parallel in modern history. Along the Rhine some of the most progressive cities in the world have been placed under guard of black troops of inferior race, and they are guilty of every form of violence, which they commit not through necessity but with the desire to insult and outrage. The conquered are deprived of their wealth by means of all kinds of parasitism and commissions of control which in reality often amount to spoliation, and the methods employed bring back to mind the worst phases of the Middle Ages.

12. Europe, far from preparing vast federations of states, is being parcelled out to the great detriment of any world economy. It may be said without departing very far from the truth that although Europe before the war had but a quarter of the population of the earth, as a result of its development it consumed one-half of all the principal products of exchange. For this reason the crisis has been carried over into other continents and no stability can be reestablished except through the restoration of those principles of democracy and justice which have been too rudely violated by a series of peaces more unjust than war itself.

II

THE PEACE TREATIES AND THE CONTINUATION OF THE WAR

THE various peace treaties regulating the present territorial situation bear the names of the localities near Paris in which they were signed: Versailles, Saint-Germain-en-Laye, Trianon and Sèvres.

The first deals with Germany, the second with Austria, the third with Hungary, and the fourth with Turkey. The Treaty of Neuilly, comparatively of far less importance, concerns Bulgaria alone. The one fundamental and decisive treaty is the Treaty of Versailles, inasmuch as it not only establishes as a recognized fact the partition of Europe, but lays down the rules according to which all future treaties are to be concluded.

History has no record of a more colossal diplomatic feat than this treaty, by which Europe has been neatly divided into two camps: victors and vanquished; the former being authorized to exercise over the latter complete control until the fulfilment of conditions which can not be discharged until after thirty years from the time of their having been imposed. Competent judges in general agree-

ment hold that these conditions are in large measure impossible.

Although it is a matter of recent history, it is well to call to mind that the Entente Powers have always maintained that the war was willed and imposed by Germany; that she alone, with her allies, repeatedly violated the rights of peoples; that the World War could well be regarded as the last war, inasmuch as the triumph of the Entente meant the triumph of democracy and a more humane régime of life, a society of nations rich in effects conducive to a lasting peace. It was imperative to restore the principles of international justice. In France, in England, in Italy, and later, even more solemnly, in the United States, the same principles were proclaimed by heads of states, by parliaments and governments.

There are two documents drawn up on the eve of that event of decisive importance, the entry of the United States into the war, which lay down the principles which the Entente Powers bound themselves to sustain and to carry on to triumph. The first is a statement by Briand to the United States ambassador, in the name of all the other Allies, dated December 30, 1916. Briand speaks in the name of all *"les gouvernements alliés unis pour la défense et la liberté des peuples."*

Briand's second declaration, dated January 10, 1917, is even more fundamentally important. It is a joint note of reply to President Wilson, delivered in the name of all the Allies to the United States

ambassador. The principles therein established are very clearly enunciated. According to that document the Entente has no idea of conquest and proposes mainly to achieve the following objects:

1st. Restoration of Belgium, Serbia and Montenegro, with the indemnities due to them.

2nd. Evacuation of invaded territories in France, Russia and Rumania and payment of just reparations.

3rd. Reorganization of Europe with a permanent régime based on the respect of nationalities and on the right of all countries, both great and small, to complete security and freedom of economic development, besides territorial conventions and international regulations capable of guaranteeing land and sea frontiers from unjustified attacks.

4th. Restitution of the provinces and territories taken in the past from the Allies by force and against the wish of the inhabitants.

5th. Liberation of Italians, Slavs, Rumanians and Czecho-Slovaks from foreign rule.

6th. Liberation of the peoples subjected to the tyranny of the Turks and expulsion from Europe of the Ottoman Empire, as being decidedly foreign to Western civilization.

7th. The intentions of His Majesty the Emperor of Russia in regard to Poland are clearly indicated in the proclamation addressed to his armies.

8th. The Allies have never harbored the design of exterminating the Germanic peoples nor of bringing about their political disappearance.

At that time the autocratic form of government still prevailed in Russia, and the Allies still con-

sidered themselves bound to Russia's aspirations; moreover there existed, in regard to Italy, the obligations established by the Pact of London. That is why in the statements of the Entente Powers of Europe the restoration of Montenegro is regarded as an obligation; mention is made of the necessity of driving the Turks out of Europe in order to enable Russia to seize Constantinople; and as to Poland, there are only vague allusions, namely, the reference made to the czar's intentions as outlined in his proclamation.

The Entente has won the war, but Russia has collapsed under the strain. Victory without the fall of Russia would have been a misfortune for civilization, and would have created a Russian domination in the Mediterranean. On the other hand, to unite Dalmatia to Italy, while separating her from Italy, according to the Pact of London, by assigning the territory of Fiume to Croatia, would have meant setting all the forces of Slav irredentism against Italy.

These considerations are of no practical value inasmuch as events have taken another course. Nobody can say what would have happened if the Carthagenians had conquered the Romans or if victory had remained with Mithridates. Hypotheses are of but slight interest when truth follows another direction. However it was most fortunate for Europe that victory was not decided by Russia, but that the United States proved a decisive factor instead.

It is beyond all possible doubt that without the intervention of the United States of America the war could not have been won by the Entente. Although the admission may prove humiliating to the European point of view, it is a fact that can not be attenuated or disguised. The United States threw into the balance the weight of its enormous economic and technical resources, besides its enormous resources in men. Although she lost but fifty thousand men, the United States built up such a formidable human reserve as to deprive Germany of all hope of victory. The announcement of America's entry into the war immediately crushed all Germany's power of resistance. Germany felt that the struggle was no longer limited to Europe, and that every effort was vain.

The United States, besides giving to the war enormous quantities of arms and money, had practically inexhaustible reserves of men to place in the field against an enemy already exhausted and famine-stricken.

War and battles are two very different things. Battles constitute an essentially military fact, while war is an essentially political fact. That explains why great leaders in war have always been first and foremost great political leaders, namely, men accustomed to manage other men and able to utilize them for their purposes. Alexander, Julius Cæsar, Napoleon, the three greatest military leaders produced by Aryan civilization, were essentially political men. War is not only a clash of arms, it is above

all the most effective exploitation of men, of economic resources and of political situations. A battle is a fact of a purely military nature. The Romans almost constantly placed at the head of their armies personages of consular rank, who regarded and conducted the war as a political enterprise. The rules of tactics and strategy are perfectly useless if those who conduct the war fail to utilize to the utmost all the means at their disposal.

It can not be denied that in the war Germany and Austria-Hungary scored the greatest number of battles. For a long period they succeeded in invading large tracts of enemy territory and in recovering those parts of their own territory that had been invaded, besides always maintaining the offensive. They won great battles at the cost of enormous sacrifices in men and lives, and for a long time they could believe themselves victorious. But they failed to understand that from the day in which the violation of Belgium's neutrality determined Great Britain's entry into the field, the war, from a general point of view, could be regarded as lost. As I have said, Germany is especially lacking in political sense: after Bismarck, her statesmen have never risen to the height of the situation. Even Von Bülow, who appeared to be the most intelligent, never once showed true political sagacity.

The "banal" statements made about Belgium and the United States of America by the men who directed Germany's war policy were precisely the sort of thing most calculated to harm the people from

whom they came. What is decidedly lacking in Germany, while it abounds in France, is a political class. Now a political class, consisting of men of ability and culture, can only be the result of a democratic education in all modern states, especially in those which have achieved a high standard of civilization and development. It seems almost incredible that Germany, despite all her culture, should have tolerated the political dictatorship of the kaiser and of his luckless collaborators.

At the Conferences of Paris and London, in 1919 and 1920, I did all that was in my power to prevent the trial of the kaiser, and I am convinced that my firm attitude in the matter succeeded in avoiding it. Sound common sense saved us from floundering in one of the most formidable blunders of the Treaty of Versailles. To hold one man responsible for the whole war and to bring him to trial, his enemies acting as judge and jury, would have been such a monstrous travesty of justice as to provoke a moral revolt throughout the world. On the other hand there was also another moral monstrosity, which deprived the Treaty of Versailles of every shred of dignity. If the one responsible for the war is the kaiser, why does the Entente demand of the German people such enormous indemnities, unprecedented in history?

One of the men who has exercised the greatest influence on European events during the last ten years, one of the most intelligent and influential of living statesmen, once told me it was his opinion that

the kaiser did not want the war, but neither did he wish to prevent it.

Germany, although under protest, has been forced to accept the statement of the Versailles Treaty to the effect that she is responsible for the war and that she provoked it. The same charge has been leveled at her in all the Entente States during the conflict.

When our countries were engaged in the struggle, and we were at grips with a dangerous enemy, it was our duty to keep up the morale of our people and to paint our adversaries in the darkest colors, laying on their shoulders all the blame and responsibility. But after such a war, now that imperial Germany has fallen, it is absurd to maintain that the responsibility belongs to Germany alone, and that in prewar Europe there had not been created before 1914 conditions that were bound to lead to war. If Germany has the greatest responsibility, that responsibility is shared more or less by all the countries of the Entente. But while the Entente countries, in spite of their mistakes, had the political sense always to invoke principles of right and justice, the statesmen of Germany gave utterance to nothing but brutal and vulgar statements, culminating in the deplorable mental and moral expressions contained in the speeches, messages and telegrams of William II. He was a perfect type of the *miles gloriosus,* not a harmless but an irritating and dangerous boaster, who succeeded in piling up more loathing and hatred against his country than the most active and intelli-

gently managed enemy propaganda could possibly have done.

If the issue of the war could be regarded as seriously jeopardized by England's intervention, it was practically lost for the Central Empires when the United States stepped in.

America's decision definitely crippled Germany's resistance—and not only for military, but for moral reasons. In all his messages President Wilson had repeatedly declared that he wanted a peace based on justice and equity, of which he outlined the fundamental conditions; moreover, he stated that he had no quarrel with the German people, but with the men who were at their head, and that he did not wish to impose on the vanquished, oppressive terms of peace.

President Wilson's ideas on the subject have been embodied in a bulky volume.* Turning over the pages of this book now we have the impression that it is a collection of literary essays by a man who had his eye on posterity and assumed a pose most likely to attract the admiration of generations yet unborn. But when these same words were uttered in the intervals of mighty battles, they fell on expectant and anxious ears; they were regarded as a ray of light in the fearsome darkness of uncertainty, and everybody listened to them, not only because the president was the authorized exponent of a great nation, of a powerful people, but because he represented an inexhaustible source of vitality in the midst of the ravages of violence and death. Presi-

**President Wilson's State Papers and Addresses,* New York, 1918.

dent Wilson's messages have done as much as famine and cruel losses in the field to break the resistance of the German people. If it was possible to obtain a just peace, why go to the bitter end when defeat was manifestly inevitable? Obstinacy is the backbone of war, and nothing undermines a nation's power of resistance so much as doubt and faint-heartedness on the part of the governing classes.

President Wilson, who said on January 2, 1917, that a peace without victory was to be preferred ("It must be a peace without victory"), and that "Right is more precious than peace," had also repeatedly affirmed that "We have no quarrel with the German people."

He only desired, as the exponent of a great democracy, a peace which should be the expression of right and justice, evolving from the war a League of Nations, the first mile-stone in a new era of civilization, a league destined to bind together ex-belligerents and neutrals in one.

In Germany, where the inhabitants had to bear the most cruel privations, President Wilson's words, pronounced as a solemn pledge before the whole world, had a most powerful effect on all classes and greatly contributed toward the final breakdown of collective resistance. Democratic minds saw a promise for the future, while reactionaries welcomed any way out of their disastrous adventure.

After America's entry in the war, President Wilson, on January 8, 1918, formulated the fourteen

points of his program regarding the aims of the war and the peace to be realized.

It is here necessary to reproduce the original text of President Wilson's message containing the fourteen points which constitute a formal pledge undertaken by the democracy of America, not only toward enemy peoples but toward all peoples of the world.

These important statements from President Wilson's message have, strangely enough, been reproduced either incompletely or in an utterly mistaken form even in official documents and in books published by statesmen who took a leading part in the Paris Conference.

It is therefore advisable to reproduce the original text in full:

"1st. Honest peace treaties, following loyal and honest negotiations, after which secret international agreements will be abolished and diplomacy will always proceed frankly and openly.

"2nd. Full liberty of navigation on the high seas outside territorial waters, both in peace and war, except when the seas be closed wholly or in part by an international decision sanctioned by international treaties.

"3rd. Removal, as far as possible, of all economic barriers and establishment of terms of equality in commerce among all nations adhering to peace and associated to maintain it.

"4th. Appropriate guarantees to be given and received for the reduction of national armaments to a minimum compatible with internal safety.

"5th. A clear, open and absolutely impartial settlement

of all colonial rights, based on a rigorous observance of the principle that, in the determination of all questions of sovereignty, the interests of the populations shall bear equal weight with those of the government whose claims are to be determined.

"6th. The evacuation of all Russian territories and a settlement of all Russian questions such as to insure the best and most untrammeled cooperation of other nations of the world in order to afford Russia a clear and precise opportunity for the independent settlement of her autonomous political development and for her national policy, promising her a cordial welcome in the League of Nations under institutions of her own choice, and besides a cordial welcome, help and assistance in all that she may need and require. The treatment meted out to Russia by the sister nations in the months to come must be a decisive proof of their good will, of their understanding of her needs as apart from their own interests, and of their intelligent and disinterested sympathy.

"7th. Belgium, as the whole world will agree, must be evacuated and reconstructed without the slightest attempt at curtailing the sovereign rights which she enjoys in common with other free nations. Nothing will be more conducive to the reestablishment of confidence and respect among nations for those laws which they themselves have made for the regulation and observance of their reciprocal relations. Without this salutary measure the whole structure and validity of international law would be permanently undermined.

"8th. All French territories will be liberated, the invaded regions reconstructed, and the wrong done to France by Prussia in 1871, in the question of Alsace-Lorraine, and which has jeopardized the peace of the

world for nearly half a century, must be made good, so as to insure a lasting peace in the general interest.

"9th. The Italian frontier must be rectified on the basis of the clearly recognized lines of nationality.

"10th. The people of Austria-Hungary, whose place among the nations we wish to see safeguarded and maintained, should come to an agreement as to the best way of attaining their autonomous development.

"11th. Rumania, Serbia and Montenegro are to be evacuated and occupied territories restored: a free and secure access to the sea for Serbia; mutual relations between the Balkan States to be determined on a friendly basis by a Council, following the lines of friendship and nationality traced by tradition and history; the political and economic integrity of the various Balkan States to be guaranteed.

"12th. A certain degree of sovereignty must be assigned to that part of the Ottoman Empire which is Turkish; but the other nationalities now under the Turkish régime should have the assurance of an independent existence and of an absolute and undisturbed opportunity to develop their autonomy; moreover the Dardanelles should be permanently open to the shipping and commerce of all nations under international guarantees.

"13th. An independent Polish State should be founded, comprising all territories inhabited by peoples of undoubtedly Polish nationality, with a free and secure access to the sea and its political and economic independence and territorial integrity guaranteed by international agreements.

"14th. A League of Nations must be formed with special pacts and for the sole scope of insuring the reciprocal guarantees of political independence and of territorial integrity, in equal measure both for large and small states."

The Peace Treaty as outlined by Wilson would really have brought about a just peace; but we shall see how the actual result proved quite the reverse of what constituted a solemn pledge of the American people and of the Entente Powers.

On February 11, 1918, President Wilson confirmed before Congress that all territorial readjustments were to be made in the interest and for the advantage of the populations concerned, not merely as a bargain between rival states, and that there were not to be indemnities, annexations or punitive exactions of any kind.

On September 27, 1918, just on the eve of the armistice, when German resistance was already shaken almost to the breaking point, President Wilson gave it the *coup de grâce* by his message on the *post-bellum* economic settlement. No special or separate interest of any single nation or group of nations was to be taken as the basis of any settlement which did not concern the common interest of all; there were not to be any leagues or alliances, or special pacts or ententes within the great family of the society of nations; economic deals and corners of an egotistical nature were to be forbidden, as also all forms of boycotting, with the exception of those applied in punishment to the countries transgressing the rules of good fellowship; all international treaties and agreements of every kind were to be published in their entirety to the whole world.

It was a magnificent program of world policy. Not only would it have meant peace after war, but

a peace calculated to heal the deep wounds of Europe and to renovate the economic status of nations.

On the basis of these principles, which constituted a solemn pledge, Germany, worn out by famine and even more by increasing internal unrest, demanded peace.

According to President Wilson's clear statements, made not only in the name of the United States but in that of the whole Entente, peace therefore was to be based on justice; the relations between winners and losers in a society of nations were to be inspired by mutual trust.

There were no longer to be huge standing armies, neither on the part of the ex-Central Empires nor on that of the victorious states; adequate guarantees were to be *given and received* for the reduction of armies to the minimum necessary for internal defense; removal of all economic barriers; absolute freedom of the seas; reorganization of the colonies based on the development of the peoples directly concerned; abolition of secret diplomacy, etc.

As to the duties of the vanquished, besides evacuating the occupied territories, they were to reconstruct Belgium, to restore to France the territories taken in 1871; to restore all the territories belonging to Rumania, Serbia and Montenegro, giving Serbia a free and secure access to the sea; to constitute a free Poland with territories *undoubtedly Polish* to which *there might* be granted free and secure access to the sea. Poland, founded on secure

ethnical bases, far from being a military state, was to be an element of peace, and her political and economic independence and territorial integrity were to have been guaranteed by an international agreement.

After the rectification of the Italian frontier according to the principles of nationality, the peoples of Austria-Hungary were to agree on the free opportunity of their autonomous development. In other terms, each people could freely choose autonomy or throw in its lot with some other state. After giving a certain sovereignty to the Turkish populations of the Ottoman Empire the other nationalities were to be allowed to develop autonomously, and the free navigation of the Dardanelles was to be internationally guaranteed.

These principles announced by President Wilson, and already proclaimed in part by the Entente Powers when they stoutly affirmed that they were fighting for right, for democracy and for peace, did not constitute a concession but an obligation toward the enemy. In each of the losing countries, in Germany as in Austria-Hungary, the democratic groups opposed to the war, and those even more numerous which had accepted it at the beginning as in a moment of intoxication, when they exerted themselves for the triumph of peace, had counted on the statements, or rather on the solemn promises which American democracy had made not only in the name of the United States but in that of all the Entente Powers.

Let us now try to sum up the terms imposed on Germany and the other losing countries by the treaty of June 28, 1919. The treaty, it is true, was concluded between the Allied and Associated countries and Germany, but it also concerns the very existence of other countries such as Austria-Hungary, Russia, etc.:

I.—TERRITORIAL AND POLITICAL CLAUSES

Until the payment of an indemnity the amount of which is as yet not definitely stated, Germany loses the fundamental characters of a sovereign state. Not only part of her territory remains under the occupation of the ex-enemy troops for a period of fifteen years but a whole series of controls is established, military, administrative, on transports, etc. The Commission for Reparations is empowered to effect all the changes it thinks fit in the laws and regulations of the German State, besides applying sanctions of a military and economic nature in the event of violations of the clauses placed under its control (Art. 240, 241).

The Allied and Associated Governments declare and Germany recognizes that Germany and her allies are responsible, being the direct cause thereof, for all the losses and damages suffered by the Allied and Associated Governments and their subjects as a result of the war, which was thrust upon them by the aggression of Germany and her allies (Art. 231). Consequently the resources of Germany (and by the other treaties those of her allies as well) are destined, even if insufficient, to insure full reparation for all losses and damages (Art. 232).

The Allied and Associated Powers place in a state of public accusation William II of Hohenzollern, ex-German

Emperor, charging him with the gravest offenses against international morality and the sanctity of treaties. A special tribunal composed of representatives of the five great Entente Powers shall try him and will have the right of determining his punishment (Art. 227). The German Government likewise recognizes the right of the Allied and Associated Powers to try in their courts of justice the persons (and more especially the officers) accused of having committed acts contrary to the rules and customs of war.

Restitution of Alsace and Lorraine to France without any obligation on the latter's part, not even the corresponding quota of public debt (Art. 51 *et seq.*).

The treaties of April 19, 1839, are abolished, so that Belgium, being no longer neutral, may become allied to France (Art. 31); attribution to Belgium of the territories of Eupen, Malmédy and Moresnet.

Abolition of all the treaties which established political and economic bonds between Germany and Luxemburg (Art. 40).

Annulment of all the treaties concluded by Germany during the war.

German-Austria, reduced to a little state of hardly more than 6,500,000 inhabitants, about one-third of whom live in the capital (Art. 80), can not become united to Germany without the consent of the Society of Nations, and is not allowed to participate in the affairs of another nation, namely of Germany, before being admitted to the League of Nations (Treaty of Saint-Germain-en-Laye, Art. 88). As the consent of the League of Nations must be unanimous, a contrary vote on the part of France would be sufficient to prevent German-Austria from becoming united to Germany.

Attribution of North Schleswig to Denmark (Art. 109).

Creation of the Czecho-Slovak State (Art. 87), which comprises the autonomous territory of the Ruthenians south of the Carpathians, Germany abandoning in favor of the new state all her rights and claims on that part of Silesia mentioned in Art. 83.

Creation of the State of Poland (Art. 87), to whom Posnania and part of Western Prussia are made over. Upper Silesia is to decide by a plebiscite (Art. 88) whether it desires to be united to Germany or to Poland. The latter, even without Upper Silesia, becomes a state of 31,000,000 inhabitants, with about fifty per cent. of the population non-Polish, including very numerous groups of Germans.

Creation of the Free State of Danzig within the limits of Art. 100, under the protection of the League of Nations. The city is a Free City, but enclosed within the Polish Customs House frontiers, and Poland has full control of the river and of the railway system. Poland, moreover, has charge of the foreign affairs of the Free City of Danzig and undertakes to protect its subjects abroad.

Surrender to the victors, or, to be more precise, almost exclusively to Great Britain and France, of all the German colonies (Art. 119 and 127). The formula (Art. 119) is that Germany renounces in favor of the leading Allied and Associated Powers all her territories beyond the seas. Great Britain has secured an important share, but so has France, receiving that part of Congo ceded in 1911, four-fifths of the Cameroons and of Togoland.

Abandonment of all rights and claims in China, Siam, Liberia, Morocco, Egypt, Turkey, Bulgaria and Shantung (Art. 128 and 158).

Creation of a League of Nations to the exclusion, practically, of Germany and of the other losing countries, with the result that the League is nothing but a juridical com-

pletion of the Commission of Reparations. In all of the various treaties, the pact of the League of Nations, the Covenant, left standing among the collapse of President Wilson's other ideas and proposals, is given precedence over all other clauses.

II.—MILITARY CLAUSES AND GUARANTEES

Germany is obliged, and with her, by the subsequent treaties, all the other losing countries, to surrender her arms and to reduce her troops to the minimum necessary for internal defense (Art. 159 and 213). The German Army has no General Staff; its soldiers are mercenaries who enlist for a period of ten years; it can not be composed of more than seven infantry and three cavalry divisions, not exceeding 100,000 men including officers: no staff, no military aviation, no heavy artillery. The number of gendarmes and of local police can only be increased proportionately with the increase of the population. The maximum of artillery allowed is limited to the requirements of internal defense. Germany is strictly forbidden to import arms, ammunition and war material of any kind or description. Conscription is abolished, and officers must remain with the colors at least till they have attained the age of forty-five. No institute of science or culture is allowed to take an interest in military questions. All fortifications included in a line traced fifty kilometers to the east of the Rhine are to be destroyed, and on no account may German troops cross the said line.

Destruction of Heligoland and of the fortresses of the Kiel Canal.

Destruction under the supervision of the allied commissions of control of all tanks, flying apparatus, heavy and

field artillery, namely 35,000 guns, 160,000 machine guns, 2,700,000 rifles, besides the tools and machinery necessary for their manufacture. Destruction of all arsenals. Destruction of the German fleet, which must be limited to the proportions mentioned in Art. 181.

Creation of inter-allied military commissions of control to supervise and enforce the carrying out of the military and naval clauses, at the expense of Germany and with the right to install themselves in the seat of the central government.

Occupation as a guarantee, for a period of fifteen years after the application of the treaty, of the bridgeheads and of the territories now occupied west of the Rhine (Art. 428 and 432). If, however, the Commission of Reparations finds that Germany refuses wholly or in part to fulfil her treaty obligations, the zones specified in Article 421 will be immediately occupied by the troops of the Allied and Associated Powers.

III.—FINANCIAL AND ECONOMIC CLAUSES

The principle being recognized that Germany alone is responsible for the war which she willed and which she imposed on the rest of the world, Germany is bound to give complete and full reparation within the limits specified by Art. 232. The amount of the damages for which reparation is due will be fixed by the Commission of Reparations, consisting of the representatives of the winning countries.

The coal fields of the Saar Basin are to be handed over, in entire and absolute ownership, free of all liens and obligations, to France, in compensation for the destruction of the coal mines in the north of France. Before the war, in

1913, the output of the Saar amounted to 17,000,000 tons. The Saar is incorporated in the French douane system and after fifteen years will be submitted to a plebiscite.

Germany may not charge heavier duties on imports from Allied countries than on those from any other country. This treatment of the most favored nation to be extended to all Allied and Associated States does not imply the obligation of reciprocity (Art. 264). A similar limitation is placed on exports, on which no special duty may be levied.

Exports from Alsace and Lorraine into Germany to be exempt from duty for a period of five years, without right of reciprocity (Art. 268).

Germany delivers to the Allies all the steamers of her mercantile fleet of over 1,600 tons, half of those between 1,000 and 1,600 tons, and one-fourth of her fishing vessels. Moreover, she binds herself to build at the request of the Allies every year, and for a period of five years, 200,000 tons of shipping, as directed by the Allies, and the value of the new constructions will be credited to her by the Commission of Reparations (Part VIII, 3).

Besides giving up all her colonies, Germany surrenders all her rights and claims on her possessions beyond the seas (Art. 119), and all the contracts and conventions in favor of German subjects for the construction and exploiting of public works, which will be considered as part payment of the reparations due. The private property of Germans in the colonies, as also the right of Germans to live and work there, come under the free jurisdiction of the victorious states occupying the colonies, and which reserve unto themselves the right to confiscate and liquidate all property and claims belonging to Germans (Art. 121 and 297).

The private property of German citizens residing in

Alsace-Lorraine is subject to the same treatment as that of residents in the ex-German colonies. The French Government may confiscate without granting any compensation the private property of Germans and of German concerns in Alsace-Lorraine, and the sums thus derived will be credited toward the partial settlement of eventual French claims (Art. 53 and 74). The property of the state and of local bodies is likewise surrendered without any compensation whatever. The Allies and Associates reserve the right to seize and liquidate all property, claims and interests belonging, at the date of the ratification of the treaty, to German citizens or to firms controlled by them, situated in their territories, colonies, possessions and protectorates, including the territories surrendered in accordance with the clauses of the treaty (Art. 217).

Germany loses everything with the exception of her territory: colonies, possessions, rights, commercial investments, etc.

After giving the Saar coal fields in perpetual ownership to France in reparation of the temporary damages suffered by the French coal mines, the treaty goes on to establish the best ways and means to deprive Germany, in the largest measure possible, of her coal and her iron. The Saar coal fields have been handed over to France absolutely, while the war damages of the French mines have been repaired or can be repaired in a few years. Upper Silesia being subject to the plebiscite with the occupation of the Allied troops, Germany must have lost several of her most important coal fields had the plebiscite gone against her.

Germany is forced to deliver in part reparation to France 7,000,000 tons of coal a year for ten years, besides a quantity of coal equal to the yearly *ante-bellum* output of the coal mines of the north of France and of the Pas-de-

Calais, which were entirely destroyed during the war; the said quantity not to exceed 20,000,000 tons in the first five years and 8,000,000 tons during the five succeeding years (Part VII, 5). Moreover, Germany must give 8,000,000 tons to Belgium for a period of ten years, and to Italy a quantity of coal which, commencing at 4,500,000 tons for the year 1919-1920, reaches the figure of 8,500,000 tons in the five years after 1923-1924. To Luxemburg, Germany must provide coal in the same average quantity as in pre-war times. Altogether Germany is compelled to hand over to the winners as part reparation about 25,000,000 tons of coal a year.

For three years Polish exports to Germany, and for five years exports from Luxemburg into Germany, will be free of all duty, without right of reciprocity (Art. 268).

The Allies have the right to adopt, in the territory on the left bank of the Rhine, occupied by their troops, a special customs régime both as regards imports and exports (Art. 270).

After having surrendered, as per Par. 7 of the armistice terms, 5,000 locomotives and 150,000 trucks and carriages with all their accessories and fittings (Art. 250), Germany must hand over the railway systems of the territories she has lost, with all the rolling stock in a good state of preservation, and this measure applies even to Russian Poland occupied by Germany during the war (Art. 371).

The German transport system is placed under control, and the administration of the Elbe, the Rhine, the Oder, the Danube, owing to the fact that they pass through more than one state and give access to the sea, is entrusted to inter-allied commissions. In all these commissions Germany is represented by a small minority. France and Great Britain, who are not directly interested, have

numerous representatives on all the important river commissions, while on the Rhine commission Germany has only four votes out of nineteen (Art. 332 to 337). A privilege of first degree is established on all production and resources of the German States to insure the payment of reparations and other charges resulting from the treaty (Art. 248).

The total cost of the Allied and Associated Armies will be borne by Germany, including the upkeep of men and beasts, pay the lodging, heating, clothing, etc., and even veterinary services, motor-lorries and automobiles. All these expenses must be reimbursed in gold marks (Art. 249).

The privilege, as per Art. 248 of the treaty, is to be applied in the following order:

(*a*) Reimbursement of expenses for the armies of occupation during the armistice and after the peace treaty.

(*b*) Payment of the reparations as established by the treaty or treaties or supplementary conventions.

(*c*) Other expenses deriving from the armistice terms, from the peace treaty and from other supplementary terms and conventions (Art. 251). Restitution, on the basis of an estimate presented sixty days after the application of the treaty by the Commission of Reparations, of the live stock stolen or destroyed by the Germans and necessary for the reconstruction of the invaded countries, with the right to exact from Germany, as part reparations, the delivery of machinery, heating apparatus, furniture, etc.

Reimbursement to Belgium of all the sums loaned to her by the Allied and Associated Powers during the war.

Compensation for the losses and damages sustained by the civilian population of the Allied and Associated Powers during the period in which they were at war with Germany (Art. 232 and Part VII, 1).

Payment, during the first two years, of twenty billion marks in gold or by the delivery of goods, shipping, etc., on account of compensation (Art. 235).

The reparations owed by Germany concern chiefly:

1. Damages and loss of life and property sustained by the civilian population.

2. Damages sustained by civilian victims of cruelty, violence or ill-treatment.

3. Damages caused on occupied or invaded territories.

4. Damages through cruelty to and ill-treatment of prisoners of war.

5. Pensions and compensations of all kinds paid by the Allied and Associated Powers to the military victims of the war and to their families.

6. Subsidies paid by the Allied and Associated Powers to the families and other dependents of men having served in the army, etc., etc. (Part VII, 1). These expenses, which have been calculated at varying figures, commencing from 350 billions, have undergone considerable fluctuations.

I have given the general lines of the Treaty of Versailles.

The other treaties, far less important, inasmuch as the situation of all the losing countries was already well defined, especially as regards territorial questions, by the Treaty of Versailles, are cast in the same mold and contain no essential variation.

Now these treaties constitute an absolutely new fact, and no one can affirm that the Treaty of Versailles is in the least degree derived from the repeated declarations of the Entente and from Wilson's solemn pledges uttered in the name of those who took part in the war.

If the terms of the armistice were deeply in contrast with the pledges to which the Entent Powers had bound themselves before the whole world, the Treaty of Versailles and the other treaties patterned upon it are a deliberate negation of all that had been promised, amounting to a debt of honor, and which had contributed much more powerfully toward the defeat of the enemy than the entry in the field of many fresh divisions.

In the state of extreme exhaustion in which both conquerors and losers found themselves in 1918, in the terrible suffering of the Germanic group of belligerents, deprived for four years of sufficient nourishment and of the most elementary necessaries of life, in the moral collapse which had taken the place of boasting and temerity, the words of Wilson, who pledged himself to a just peace and established its terms, proclaiming them to the world, had completely broken down whatever force of resistance there still remained. They were the most powerful instruments of victory, and if not the essential cause, certainly not the least important among the causes which brought about the collapse of the Central Empires.

Germany had been deeply hit by the armistice. Obliged to hand over immediately 5,000 locomotives and 150,000 railway trucks and carriages at the very time when she had to demobilize, during the first months she found her traffic almost completely paralyzed.

Every war brings virulent germs of revolution in the vanquished countries. The War of 1870 gave

France the impulsive manifestations of the Commune in exactly the same manner as war gave rise in Germany during the first months after the armistice to a violent revolutionary crisis, overcome not without difficulty and still representing a grave menace.

Forced to surrender immediately a large quantity of live stock, to demobilize when the best part of her railway material had gone, still hampered by the blockade, Germany, against the interest of the Allies themselves, has been obliged to sacrifice her exchange because, in the absence of sufficient help, she has had to buy the most indispensable foodstuffs in neutral countries. Her paper currency, which at the end of 1918 amounted to twenty-two billion marks, not excessive as compared with that of other countries, immediately increased with a growing crescendo till it reached, in a very short time, the figure of eighty-eight billions, thus rendering from the very first the payment of indemnities in gold extremely difficult.

The most skilled men have been thrust into an absolute impossibility of producing. To have deprived Germany of her merchant fleet, built up with so much care, means to have deprived the freight market of sixty thousand of the most skilled, intelligent and hard-working seamen.

But what Germany has lost as a result of the treaty surpasses all imagination and can only be regarded as a sentence of ruin and decay deliberately imposed upon a whole people.

Germany, without taking into account the coun-

tries subject to plebiscite, has lost 7.5 per cent. of her population. Should the plebiscites prove unfavorable to her, or, as the tendency seems to be, should these plebiscites be disregarded, Germany would lose 13.5 per cent. of her population. Purely German territories have been forcibly wrenched from her. What has been done in the case of the Saar has no precedents in modern history. It is a country of 650,000 inhabitants of whom not even one hundred are French, a country which has been German for a thousand years, and which was temporarily occupied by France for purely military reasons. In spite of these facts, however, not only have the coal fields of the Saar been assigned in perpetuity to France as compensation for the damages caused to the French mines in the north, but the territory of the Saar forms part of the French customs régime and will be subjected after fifteen years to a plebiscite, when such a necessity is absolutely incomprehensible, as the population is purely German and has never in any form or manner expressed the intention of changing its nationality.

The ebb and flow of peoples in Europe during the long war of nationalities has often changed the situation of frontier countries. Sometimes it may still be regarded as a necessity to include small groups of alien race and language in different states in order to insure strategically safe frontiers. But, with the exception of the necessity for self-defense, there is nothing to justify what has been done to the detriment of Germany.

Wilson had only said that France should receive compensation for the wrong suffered in 1871 and that Belgium should be evacuated and reconstructed. What had been destroyed was to have been built up again; but no one had ever thought during the war of handing over to Belgium a part, however small, of German territory or of surrendering predominantly and purely German territories to Poland.

The German colonies covered an area of nearly three million square kilometers; they had reached an admirable degree of development and were managed with the greatest skill and ability. They represented an enormous value; nevertheless they have been assigned to France, Great Britain and in minor proportion to Japan, without figuring at all in the reparations account.

It is calculated that as a result of the treaty, owing to the loss of a considerable percentage of her agricultural area, Germany is twenty-five per cent. the poorer in regard to the production of cereals and potatoes and ten to twelve per cent. in regard to the breeding of live stock.

The restitution of Alsace-Lorraine (the only formal claim advanced by the Entente in its war program) has deprived Germany of the bulk of her iron-ore production. In 1913 Germany could count on 21,000,000 tons of iron from Lorraine, 7,000,000 from Luxemburg, 138,000 from Upper Silesia and 7,344 from the rest of her territory. This means that Germany is reduced to only 20.41 per cent. of her pre-war wealth in iron ore.

In 1913 the Saar district represented 8.95 per cent. of the total production of coal, and Upper Silesia 22.85 per cent.

Having lost about eighty per cent. of her iron ore and large stocks of coal, while her production is severely handicapped, Germany, completely disorganized abroad after the suppression of all economic equilibrium, is condemned to look on helplessly while the very sources of her national wealth dry up and cease to flow. In order to form a correct estimate of the facts we must hold in mind that one-fifth of Germany's total exports before the war consisted of iron and of tools and machinery manufactured in large part from German ores.

If we now consider the fourteen points of President Wilson, accepted by the Entente as a peace program, comparing the actual results obtained by the Treaty of Versailles, we are faced with the following situation:

1. *"After loyal peace negotiations and the conclusion and signing of peace treaties, secret diplomatic agreements must be regarded as abolished,"* says Wilson. On the contrary, secret peace negotiations were protracted for more than six months, and no hearing was even granted to the German delegates who wished to expose their views. By a system of treaties France has created a military alliance with Belgium and Poland, thus completely cornering Germany.

2. *Absolute freedom of the sea beyond territorial waters.* Nothing, as a matter of fact, has been

changed from the pre-war state of things; with the difference that the losers have had to surrender their mercantile fleets and are therefore no longer directly interested in the question.

3. *Removal of all economic barriers and equality of trade conditions.* The treaty imposes on Germany terms without reciprocity, and almost all Entente countries have already adopted protectionist and prohibitive tariffs.

4. *Adequate guarantees to be given and received for the reduction of armaments to a minimum compatible with home defense.* The treaties have compelled the vanquished countries to destroy or to surrender their navies, and have reduced the standing armies of Germany to 100,000 men, including officers, of Bulgaria to 23,000, of Austria to 30,000 (in reality only 21,000), of Hungary to 35,000. The conquering states, on the other hand, maintain enormous armies numerically superior to those which they had before the war. France, Belgium and Poland have between them about 1,400,000 men with the colors. Germany, Austria, Hungary and Bulgaria altogether have only 179,000 men under arms, while Rumania alone has 206,000 and Poland more than 450,000 men.

5. *Loyal and straightforward settlement of colonial rights and claims, based chiefly on the advantage of the peoples directly concerned.* All her colonies have been taken from Germany, who needed them more than any other country of Continental Europe, having a density of population of 123 in-

habitants per square kilometer (Italy has a density of 133 per square kilometer) while France has 74, Spain 40, and European Russia before the war had only 24.

6. *Evacuation of all Russian territories and cordial cooperation for the reconstruction and development of Russia.* For a long time the Entente has given its support to the military ventures of Koltchak, Judenic, Denikin and Wrangel, all men of the old régime.

7. *Evacuation and reconstruction of Belgium.* This has been done, but to Belgium have been assigned territories which she never dreamed of claiming before the war.

8. *Liberation of French territories, reconstruction of invaded regions and restitution of Alsace-Lorraine to France in respect of the territories taken from her in* 1871. France occupies a dominating position in the Saar which constitutes an absolute denial of the principle of nationality.

9. *Rectification of the Italian frontier, according to clearly defined lines of nationality.* As these lines have never been clearly defined or recognized, the solution arrived at has been distasteful both to the Italians and to their neighbors.

10. *The peoples of Austria-Hungary to be left free to unite together or to form autonomous states in the manner best suited to their development.* As a matter of fact the treaties have taken the greatest possible number of Germans from Austria and of Magyars from Hungary in order to hand them over

to Poland, to Czecho-Slovakia, to Rumania and to Jugo-Slavia, namely to populations for the most part inferior to the Germans.

11. *Evacuation of Rumania, Serbia and Montenegro.* This has been effected, but whereas the Entente Powers have always proclaimed their fundamental duty for the reconstruction of Montenegro, they all contributed to its disappearance, chiefly at the instigation of France.

12. *A limited sovereignty to the Turkish parts of the Ottoman Empire, liberation of other nationalities and freedom of navigation in the Dardanelles placed under international guarantees.* What really happened was that the Entente Powers immediately tried to possess themselves of Asia Minor; but events rendered it necessary to adopt a régime of mandates because direct sovereignty would have been too perilous an experiment. A sense of deep perturbation and unrest pervades the whole of Islam.

13. *An independent Polish State with populations undoubtedly Polish to be founded as a neutral state with a free and secure outlet to the sea and whose integrity is to be guaranteed by international accords.* In reality a Polish State has been formed with populations undoubtedly non-Polish, having a markedly military character and aiming at further expansion in Ukranian and German territory. It has a population of 31,000,000 inhabitants while it should not exceed 18,000,000, and proposes to isolate Russia from Germany. Moreover the Free State of

Danzig, practically dependent on Poland, constitutes a standing menace to Germany.

14. *Foundation of the League of Nations for the sole purpose of reestablishing order among nations, and laying the basis of reciprocal guarantees of territorial integrity and political independence for all states, both great and small.* After more than two years have elapsed since the conclusion of peace and three since the armistice, the League of Nations is still nothing but a Holy Alliance the object of which is to guarantee the privileges of the conquerors. After the vote of the Senate, deserving of all praise from every point of view, the United States does not form part of the League nor do the losing countries, including Germany.

It is therefore obvious that the most solemn pledges on which peace was based have not been maintained; the noble declarations made by the Entente during the war have been forgotten; forgotten all the solemn collective pledges; forgotten and disregarded Wilson's proclamations which, without being real contracts or treaties, were something far more solemn and binding, a pledge taken before the whole world at its most tragic hour to give the enemy a guarantee of justice.

Without expressing any opinion on the treaties themselves, it can not be denied that the manner in which they have been applied has been even worse. For the first time in civilized Europe, not during the war, when everything was permissible in the supreme interests of defense, but now that the war

is over, the Entente Powers, though maintaining armies more numerous than ever, for which the vanquished must pay, have occupied German territories, inhabited by the most cultured, progressive and technically advanced populations in the world, as an insult and a slight, with colored troops, men from darkest and most barbarous Africa, to act as defenders of the rights of civilization and to maintain the law and order of democracy.

The acts of barbarism and violence committed in the occupied section of Germany are without parallel in modern history and a deep disgrace to European civilization.

The time is not far distant when it will be regarded as a mark of dishonor for the victorious nations to have made abuse of victory as victorious Germany never did, indeed to have exploited victory to a greater degree than even those European countries which are most frequently and justly accused of barbarism.

III

THE PEACE TREATIES—THEIR ORIGIN AND AIMS

How, after the solemn pledges undertaken during the war, a peace could have been concluded which practically negatives all the principles professed during the war and all the obligations entered into, is easily explained when we note the progress of events from the autumn of 1918 to the end of the spring of 1919. I took no direct part in those events, as I had no share in the government of Italy from January to the end of June, 1919, the period during which the Treaties of Versailles and Saint-Germain-en-Laye were being prepared. The Orlando Ministry was resigning when the Treaty of Versailles was drawn up for signature, and the situation which confronted the Ministry of which I was head was clearly defined. Nevertheless I asked the minister of foreign affairs and the delegates of the preceding Cabinet to put their signatures to it. Signing was a necessity, and it fell to me later on to put my signature to the ratification.

The Treaty of Versailles and those which have followed with Austria, Hungary, Bulgaria and Turkey have been validly signed, and they pledge the good faith of the countries which have signed them.

But in the application of them there is need of great breadth of view; there is need of dispassionate study to see if they can be maintained, if the fulfilment of the impossible or unjust conditions demanded of the conquered countries will not do more harm to the conquerors, will not, in point of actual fact, pave the way to their ruin.

If there is one thing, Lloyd George has said, which will never be forgotten or forgiven, it is arrogance and injustice in the hour of triumph. We have never tired of saying that Germany is the most barbarous among civilized countries, that under her civilization is hidden all the barbarism of medieval times, that she puts into practise the doctrine of might over right. At the present moment it is our duty to ask ourselves whether the principles which we have for so long been attributing to Germany have not passed over to the other side in a form which is even more fierce and degenerate, and whether in our own hearts there is not a bitterness of hatred clouding our judgment and robbing our program of all action that can do real good.

Prussia won the war against Austria-Hungary in 1866, and did not ask for or impose any really onerous terms. It was contented with having regained hegemony among the German people. Prussia conquered France in 1870. It was an unjust war, and Prussia laid down two unjust conditions: Alsace-Lorraine and the indemnity of five billion francs. As soon as the indemnity was paid—and it was an indemnity that could be paid in one lump

sum—Prussia evacuated the occupied territory. It did not claim of France its colonies or its fleet, it did not impose the reduction of its armaments or control of its transport after the peace. The Treaty of Frankfort is a humanitarian act compared with the Treaty of Versailles.

If Germany had won the war—Germany to whom we have always attributed the worst possible intentions—what could it have done that the Entente has not done? It is possible that, as it is gifted with more practical common sense, it might have laid down less impossible conditions in order to gain a secure advantage without ruining the conquered countries.

There are about ninety millions of Germans in Europe, and perhaps fifteen millions in different countries outside Europe. But in the heart of Europe they represent a great ethnic unity; they are the largest and most compact national group in that continent. With all the good and bad points of their race, too methodical and at the same time easily depressed by a severe setback, they are still the most cultivated people on earth. It is impossible to imagine that they can disappear, much less that they can reconcile themselves to live in a condition of slavery. On the other hand, the Entente has built on a foundation of shifting sand a Europe full of small states poisoned with imperialism and in ruinous conditions of economy and finance, and a too great Poland without a national basis and necessarily the enemy of Russia and of Germany.

No people has always been victorious; the peoples who have fought most wars in modern Europe, English, French and Germans, have had alternate victories and defeats. A defeat often carries in its train reconsideration which is followed by renewed energy: the greatness of England is largely due to its steadfast determination to destroy the Napoleonic Empire. What elevates men is this steadfast and persevering effort, and a series of such collective efforts carries a nation to a high place.

There is nothing lasting in the existing groupings. At the moment of common danger eternal union and unbreakable solidarity are proclaimed; but both are mere literary expressions.

Great Britain, the country which has the least need to make war, has been at war for centuries with nearly all the European countries. There is one country only against which it has never made war, not even when a commercial challenge from the mercantile Republics of Italy seemed possible. That country is Italy. This proves that the attitude of Italy is not and can not be in opposition to British policy, and indeed that between the two nations there is complete agreement in European continental policy. It is the common desire of the two nations, though perhaps for different reasons, that no one state shall have hegemony on the continent. But between the years 1688 and 1815 Great Britain and France were at war for sixty-one years: for sixty-one years, that is, out of a hundred and twenty-seven there was a state of war between the two.

General progress, evinced in various ways, above all in respect for and in the autonomy of other peoples, is a guarantee for all. No peoples are always victorious, and no peoples are always defeated. In the time of Napoleon the First the French derided the lack of fighting spirit in the German peoples, producers of any number of philosophers and writers. They would have laughed at any one who suggested the possibility of any early German military triumph. After 1815 the countries of the Holy Alliance would never have believed in the possibility of the revolutionary spirit being reawakened; they were sure of lasting peace in Europe. In 1871 the Germans had no doubt at all that they had finally smothered France; now the Entente thinks that it has finally smothered Germany.

But civilization has gained something: it has gained that collection of rules, moral conditions, sentiments, international regulations, which tend both to mitigate violence and to regulate in a form which is tolerable, if not always just, relations between conquerors and conquered, above all, a respect for the liberty and autonomy of the latter.

Now, the treaties which have been made are, from the moral point of view, immeasurably worse than any consummated in former days, in that they carry Europe back to a phase of civilization which was thought to be over and done with centuries ago. They are a danger too. For as every one who takes vengeance does so in a degree greater than the

damage suffered, if one supposes for a moment that the conquered of to-day may be the conquerors of to-morrow, to what lengths of violence, degradation and barbarism may not Europe be dragged?

Every effort, then, should now be made to follow the opposite road to that traversed up to the present, the more so in that the treaties can not be carried out; and if it is desired that the conquered countries shall pay compensation to the conquerors, at least in part, for the most serious damage, then the line to be followed must be based on realities instead of on violence.

But before trying to see how and why the treaties can not be carried out, it may be well to consider how the actual system of treaties has been reached, in complete opposition to all that was said by the Entente during the war and to President Wilson's fourteen points. At the same time ought to be examined the causes which led in six months from the declarations of the Entente and of President Wilson to the Treaty of Versailles.

The most important cause for what has happened was the choice of Paris as the meeting-place of the Conference. After the war Paris was the least fitted of any place for the holding of a Peace Conference, and in the two French leaders, the President of the Republic, Poincaré, and the President of the Council of Ministers, Clemenceau, even if the latter was more adaptable in mind and more open to consideration of arguments on the other side, were two temperaments driving inevitably to extremes. Victory

had come in a way that surpassed all expectation; a people that, living through every day the war had lasted, had passed through every sorrow, privation, agony, had now but one thought, to destroy the enemy. The atmosphere of Paris was fiery. The decision of the peace terms to be imposed on the enemy was to be taken in a city which a few months before, one might really say a few weeks before, had been under the fire of the long-range guns invented by the Germans, in hourly dread of enemy aeroplanes. Even now it is inexplicable that President Wilson did not realize the situation which must inevitably come about. It is possible that the delirium of enthusiasm with which he was received at Paris may have given him the idea that it was in him alone that the people trusted, may have made him take the welcome given to the representative of the deciding factor of the war as the welcome to the principles which he had proclaimed to the world. Months later, when he left France amid general indifference if not distrust, President Wilson must have realized that he had lost, not popularity, but prestige, the one sure element of success for the head of a government, much more so for the head of a state. It was inevitable that a peace conference held in Paris, only a few months after the war, with the direction and preparation of the work almost entirely in French hands and with Clemenceau at the head of everything, should reach the conclusion it did reach; all the more so when Italy held apart right from the beginning, and England, though con-

vinced of the mistakes being made, could not act freely and effectively.

The first duty of the Peace Conference was to restore a state of equilibrium and reestablish conditions of life. Taking Europe as an economic unity, broken by the war, it was necessary first of all and in the interests of all to reestablish conditions of life which would make it possible for the crisis to be overcome with the least possible damage.

I do not propose to tell the story of the Conference, and it is as well to say at once that I do not intend to make use of any document placed in my hands for official purposes. But the story of the Paris Conference can now be told with practical completeness after what has been published by J. M. Keynes in his noble book on the Economic Consequences of the War and by the American Secretary of State, Robert Lansing, and after the statements made in the British and French Parliaments by Lloyd George and Clemenceau. But from the political point of view the most interesting document is still André Tardieu's book, *The Truth about the Treaty,* to which Clemenceau wrote a preface and which expresses, from the point of view of the French Delegation at the Conference, the program which France laid before itself and what it obtained. This book explains how the principal decisions were taken, and indeed can be fairly considered to show in a more reliable way than any other publication extant how the work of the Conference proceeded. For not only was M. Tardieu one of the French dele-

gates to the Conference, one of those who signed the Versailles Treaty, but also he prepared the plan of work as well as the solutions of the most important questions in his capacity of trusted agent of the prime minister.

The determination in the mind of President Wilson when he came to Paris was to carry through his program of the League of Nations. He was fickle in his infallibility, but he had the firmest faith that he was working for the peace of the world and above all for the glory of the United States. Of European things he was supremely ignorant. We are bound to recognize his good faith, but we are not in the least bound on that account to admit his capacity to tackle the problems which with his academic simplicity he set himself to solve. When he arrived in Europe he had not even prepared in outline a scheme of what the League of Nations was to be; the principal problems found him unprepared, and the duty of the crowd of experts (sometimes not too expert) who surrounded him seemed rather to be to demonstrate the truth of his idea than to prepare materials which might serve as a basis for well pondered decisions.

He could have made no greater mistake than he did in coming to Europe to take part in the meetings of the Conference. His figure lost relief at once, in a way it seemed to lose dignity. The head of a state was taking part in meetings of heads of governments, one of the latter presiding. It was a giant compelled to live in a cellar and thereby sacrificing his height. He was surrounded by formal

respect and in some decisions he exercised almost despotic authority, but his work was none the less disordered; there was a semblance of giving in to him while he was giving away his entire program without being aware of it.

In his ignorance of European things he was brought, without recognizing it, to accept a series of decisions, not superficially in opposition to his fourteen points but which did actually nullify them.

Great Britain is part of Europe but is not on the Continent of Europe. While Germany, France, Italy, Austria, Russia, Hungary, Holland, Belgium, etc., live the same life, are one in thought, Great Britain goes her own way and lives her proud island life. If she had any moment of supreme anxiety during the war, it was in the spring and summer of 1917 during the terrible threat of the destruction of her shipping by submarines and the inability of construction to keep pace with it. But after the defeat of Germany, Great Britain found herself with a fleet far superior to those of all the rest of Europe put together; once more she broke away from Continental Europe.

Lloyd George, with swiftly acting brain and clear insight, undoubtedly the most remarkable man at the Paris Conference, found himself in a difficult situation between President Wilson's pronouncements, some of them, like that regarding the freedom of the seas, undefined and dangerous, and the claims of France tending, after the recent brutal and sudden aggression it had had to meet, not toward a true

peace and the reconstruction of Europe, but toward the vivisection of Germany. In one of the first moments, just before the general elections, Lloyd George, too, promised measures of the greatest severity, the trial of the kaiser, the punishment of all guilty of atrocities, compensation for all who had suffered from the war, the widest and most complete indemnity. But such pronouncements gave way before his clear realization of facts, and later on he tried in vain to put the Conference on the plane of such realization.

Italy, as M. Tardieu says very plainly in *The Truth about the Treaty,* carried no weight in the Conference. In the meetings of the prime ministers and President Wilson "the tone was conversational. Neither pomp nor pose. Signor Orlando spoke but little; Italy's interest in the Conference was far too much confined to the question of Fiume, and her share in the debates was too limited as a result. It resolved itself into a three-cornered conversation between Wilson, Clemenceau and Lloyd George." The Italian Government came into the war in May, 1915, on the basis of the London Agreement of the preceding April, and it had never thought of claiming Fiume either before the war when it was free to lay down conditions or during the progress of the war.

The Italian people had always been kept in ignorance of the principles established in the London Agreement. One of the men chiefly responsible for the American policy openly complained to me that

when the United States came into the war no notification was given them of the London Agreement in which were defined the future conditions of part of Europe. A far worse mistake was made in the failure to communicate the London Agreement to Serbia, which would certainly have accepted it without hesitation in the terrible position in which it then was.

But the most serious thing of all was that Italian ministers were unaware of its provisions till after its publication in London by the organ of the Jugo-Slavs, which had evidently received the text from Petrograd, where the Bolsheviks had published it. In Italy the London Agreement was a mystery to every one; its text was known only to the presidents of the Council and the minister for foreign affairs of the War Cabinets. Thus only four or five people knew about it, secrecy was strictly kept, and, moreover, it can not possibly be said that it was in accordance either with national ideals or the currents of public opinion, much less with any intelligent conception of Italy's needs and Italy's future.

The framers of the London Agreement never thought of Fiume. Indeed they specifically expressed their willingness that it should go to Croatia, whether in the case of Austria-Hungary remaining united or of the detachment of Croatia from it. It is not true that it was through the opposition of Russia or of France that the Italian framers of the London Agreement gave up all claim to Fiume. There was no opposition because there was no claim.

The representatives of Russia and France have told me officially that no renunciation took place through any action on the part of their governments, because no claim was ever made to them. On the other hand, after the armistice, and when it became known through the newspapers that the London Agreement gave Fiume to Croatia, a very strong movement for Fiume arose, fanned by the government itself, and an equally strong movement in Fiume also.

If, in the London Agreement, instead of claiming large areas of Dalmatia, which are entirely or almost entirely Slav, provision had been made for the constitution of a State of Fiume placed in a condition to guarantee not only the people of Italian nationality but the economic interests of all the peoples in it and surrounding it, there is no doubt that such a claim on the part of Italy would have gone through without opposition.

During the Paris Conference the representatives of Italy showed hardly any interest at all in the problems concerning the peace of Europe, the situation of the conquered peoples, the distribution of raw materials, the regulation of the new states and their relations with the victor countries. They concentrated all their efforts on the question of Fiume, that is to say on the one point in which Italian action was fundamentally weak in that, when it was free to enter into the war and lay down conditions of peace, at the moment when the Entente was without America's invaluable assistance and was beginning to doubt the capacity of Russia to carry on, it

had never even asked for Fiume in its War Treaty, that it had made the inexplicable mistake of neglecting to communicate that treaty to the United States when that country came into the war, and to Serbia at the moment when Italy's effort had most contributed to bring her needed assistance. At the conference Italy had no directing policy. It had been a part of the system of the German Alliance, but it had left its Allies, Germany and Austria-Hungary, because it recognized that the war was unjust, and had remained neutral for ten months. Then, entering into the war freely and without obligation, there was one road for it to follow, that of proclaiming solemnly and defending the principles of democracy and justice. Indeed, that was a moral duty in that the break with the two countries with which Italy had been in alliance for thirty-three years became a matter not only of honesty but of duty solely through the injustice of the cause for which they had proclaimed an offensive war. It was not possible for Italy to go to war to realize the dream of uniting the Italian lands to the nation, for she had entered the system of Alliance of the Central Empires and had stayed there long years while having all the time Italian territories unjustly subjected to Austria-Hungary. The annexation of the Italian lands to the Kingdom of Italy had to be the consequence of the affirmation of the principles of nationality, not the reason for going to war. In any case, for Italy, which had laid on itself in the London Agreement the most absurd limitations, which had con-

fined its war aims within exceedingly modest limits, which had no share in the distribution of the wealth of the conquered countries, which came out of the war without raw materials and without any share in Germany's colonial empire, it was a matter not only of high duty but of the greatest utility to proclaim and uphold all those principles which the Entente had so often and so publicly proclaimed as its war policy and its war aims. But in the Paris Conference Italy hardly counted. Without any definite idea of its own policy, it followed France and the United States, sometimes it followed Great Britain. There was no affirmation of principles at all. The country which, among all the European warring Powers, had suffered most severely in proportion to its resources and should have made the greatest effort to free itself from the burdens imposed on it, took no part in the most important decisions. It should be added that these were arrived at between March 24 and May 7, while the Italian representatives were absent from Paris or had returned there humiliated without having been recalled.

After interminable discussions which decided very little, especially with regard to the League of Nations which arose before the nations were constituted and could live, real vital questions were tackled, as is seen from the report of the Conference, on March 24, and it is a fact that between that date and May 7 the whole treaty was put in shape: territorial questions, financial questions, economic questions, colonial questions. Now, at that very mo-

ment, on account of the question of Fiume and Fiume alone, for some inscrutable reason the Italian delegates thought good to retire from the Conference, to which they returned later without being invited, and during that time all the demonstrations against President Wilson took place in Italy, not without some grave responsibility on the part of the government. Italy received least consideration in the peace treaties among all the conquering countries. It was practically put on one side.

It has to be noted that both in the armistice and in the peace treaty the most serious decisions were arrived at almost incidentally; moreover they were always vitiated by slight concessions apparently of no importance. On November 2, 1918, when the representatives of the different nations met at Paris to fix the terms of armistice, M. Tardieu relates, the question of reparation for damages was decided quite incidentally. It is worth while reproducing what he says in his book, taken from the official report:

M. CLEMENCEAU: I would like to return now to the question of reparations for damages. It would not be understood with us in France if we did not insert a clause in the Armistice to this effect. All I am asking for is the addition of three words, "Reparations for damages" without further comment.

The following discussion ensues.

M. HYMANS: Would that be a condition of armistice?

M. SONNINO: It is rather a condition of peace.

M. BONAR LAW: It is useless to insert in the conditions of armistice a clause that can not be rapidly fulfilled.

M. CLEMENCEAU: I only want to lay down the principle. You must not forget that the French people is one of those which have suffered most. They would not understand if we did not make some allusion to this matter.

M. LLOYD GEORGE: If you are going to deal with the reparations for damages on land, you must also mention the question of reparations for the ships sunk.

M. CLEMENCEAU: That is all covered by my three words, "Reparations for damages." I beg the Council to understand the feeling of the French people.

M. VESSITCH: And of the Serbian. . . .

M. HYMANS: And of the Belgian. . . .

M. HOUSE: As this is a matter of importance to all, I propose the adoption of M. Clemenceau's addition.

M. BONAR LAW: It is already mentioned in our letter to President Wilson. It is useless to repeat it.

M. ORLANDO: I accept it in principle although no mention has been made of it in the conditions of the Austrian Armistice.

The addition of "Reparations for damages" is then adopted. M. Klotz suggests that the addition be preceded by the words "with the reservation that any future claims by the Allies and the United States remain unaffected." This is decided.

If I were at liberty to publish the official report of the doings of the Conference while the various peace treaties were being prepared, as MM. Poincaré and Tardieu have published secret acts, it would be seen that the proceedings were very much the same in every case. Meanwhile we may confine

ourselves to an examination of the report as given by M. Tardieu.

The question of reparations for damages was not a condition of the armistice. It had not been accepted. Clemenceau brings the question up again solely in deference to French public opinion. The suggestion is to write in simply the three words: *Reparations for damages.* It is true that these three words determine a policy, and that there is no mention of it in the claims of the Entente, in the fourteen points of President Wilson, or in the armistice between Italy and Austria-Hungary. In his fourteen points Wilson confined himself, in the matter of damages, to the following claims: (1) Reconstruction in Belgium, (2) Reconstruction of French territory invaded, (3) Reparation for territory invaded in Serbia, Montenegro and Rumania. There is no other claim or statement in the fourteen points. On the other hand the pronouncement, "Reparations for damages," covered, or came later to cover, any claim for damage by land or sea.

The representatives of Belgium, Italy and Great Britain remark that it is a condition of peace, not of armistice. But Clemenceau makes it a question of regard and consideration for France. France would not understand there being no mention of it; there was no desire to define anything, only just to mention it, and in three simple words. "I ask you," says Clemenceau, "to put yourselves into the spirit of the people of France." At once the British representative notes the necessity of a clear statement

regarding reparations for losses at sea through submarines and mines; and all, the Serbian, the Belgian and, last of all, the Italian, at once call attention to their own damages. Mr. House, not realizing the wide and serious nature of the claim, says that it is an important question for all, while America had already stated, in the words of the president of the republic, that it renounced all indemnity of any nature whatsoever.

So was established, quite incidentally, the principle of indemnity for damages which gave the treaty a complete turn away from the spirit of the pronouncements by the Entente and the United States. Equally incidentally were established all the declarations in the treaty, the purpose of which is not easy to understand except in so far as it is seen in the economic results which may accrue.

Article 231 of the Treaty of Versailles states that the Allied and Associated Governments affirm, and Germany accepts, the responsibility of Germany and her Allies for causing all the loss and damage to which the Allied and Associated Governments and their peoples have been subjected as a consequence of the war imposed on them by the aggression of Germany and her allies.

Article 177 of the Treaty of Saint-Germain-en-Laye states in the same way that the Allied and Associated Governments affirm, and Austria-Hungary accepts, the responsibility of Austria and her allies, etc.

This article is common to all the treaties, and it

would have no more than historic and philosophic interest if it were not followed by another article in which the Allied and Associated Governments recognize that the resources of Germany (and of Austria-Hungary, etc.,) are not adequate, after taking into account permanent diminutions of such resources which will result from other provisions of the present treaty, to make complete reparation for all such loss and damage. The Allied and Associated Governments, however, require, and the conquered state undertakes, that she will make compensation for all damage done to the civilian population of the Allied and Associated Powers and to their property during the period of the belligerency of each as an Allied or Associated Power by such aggression by land, by sea and from the air, and in general all damage as defined in the treaty, comprising many of the burdens of war (war pensions and compensations to soldiers and their families, cost of assistance to families of those mobilized during the war, etc.).

There is nothing more useless, indeed more stupid, than to take your enemy by the throat after you have beaten him and force him to declare that all the wrong was on his side. The declaration is of no use whatever, either to the conqueror, because no importance can be attributed to an admission extorted by force; or to the conquered, because he knows that there is no moral significance in being forced to state what one does not believe, or for third parties, because they are well aware of the circumstances under which the declaration was

made. It is possible that President Wilson wanted to establish a moral reason—I do not like to say a moral alibi—for accepting, as he was constrained by necessity to accept, all those conditions that were the negation of what he had solemnly laid down, the moral pledge of his people, of the American democracy.

Germany and the conquered countries have accepted the conditions imposed on them with the reserve that they feel that they are not bound by them, even morally, in the future. The future will pour ridicule on this new form of treaty which endeavors to justify excessive and absurd demands, which will have the effect of destroying the enemy rather than of obtaining any sure benefit, by using a forced declaration which has no value at all.

I have always detested German imperialism, and also the phases of exaggerated nationalism which have grown up in every country after the war and have been eliminated one after the other through the simple fact of their being common to all countries, but only after having brought the greatest possible harm to all the peoples, and I can not say that Germany and her allies were solely responsible for the war which devastated Europe and threw a dark shadow over the life of the whole world. That statement, which we all made during the war, was a weapon to be used at the time; now that the war is over, it can not be looked on as a serious argument.

An honest and thorough examination of all the diplomatic documents, all the agreements and relations of pre-war days, compels me to declare

solemnly that the responsibility for the war does not lie solely on the defeated countries; that Germany may have desired war and prepared for it under the influence of powerful industrial interests, metallurgic, for instance, responsible for the extreme views of newspapers and other publications, but still all the warring countries have their share of responsibility in differing degree. It can not be said that there existed in Europe two groups with a moral conception differing to the point of complete contrast; on one side, Germany, Austria-Hungary, Turkey and Bulgaria, responsible for the war, which they imposed by their aggression; on the other, the peaceful peoples who were desirous only of carrying on their development in peace. It is not true that there were ranged on the one side the despotic nations and that on the other were to be found all the free and independent peoples. By the side of England, France, Italy and the United States there was Russia, which must bear, if not the greatest, a very great responsibility for what happened. Nor is it true that armament expenses in the ten years preceding the war were greater in the Central Empires, or, to put it better, in the states forming the Triple Alliance, than in the countries which later formed the European Entente.

It is not true that only in the case of Germany were the war aims imperialist, and that the Entente countries came in without desire of conquest. Putting aside for the moment what one sees in the treaties which have followed the war, it is worth

while considering what would have happened if Russia had won the war instead of being torn to pieces before victory came. Russia would have had all the Poland of the eighteenth century (with the apparent autonomy promised by the czar), nearly all Turkey in Europe, Constantinople, and a great part of Asia Minor. Russia, with already the greatest existing land empire and at least half the population not Russian, would have gained fresh territories with fresh non-Russian populations, putting the Mediterranean peoples, and above all Italy, in a very difficult situation indeed.

It can not be said that in the ten years preceding the war Russia did not do as much as Germany to bring unrest into Europe. It was on account of Russia that the Serbian Government was a perpetual cause of disturbance, a perpetual threat to Austria-Hungary. The unending strife in the Balkans was caused by Russia in no less degree than by Austria-Hungary, and all the great European nations shared, with opposing views, in the policy of Eastern expansion.

The judgment of peoples and of events, given the uncertainty of policy as expressed in parliament and newspapers, is variable to the last degree. It will be enough to recall the varying judgment upon Serbia during the last ten years in the Press of Great Britain, France and Italy: the people of Serbia have been described as criminals and heroes, assassins and martyrs. No one would have anything to do with Serbia; later Serbia was raised to the skies.

The documents published by Kautsky and by other authors and political writers in Germany and in Holland, and similar publications issued in neutral countries, and those revealed from time to time by the Moscow Government prove that the preparation for and the driving toward war was not only on the part of the Central Empires, but also, and in no less degree, on the part of the other states. One point will always remain inexplicable: why Russia should have taken the superlatively serious step of general mobilization, which could not be and was not a simple measure of precaution. It is beyond doubt that the Russian mobilization preceded even that of Austria. After a close examination of events, after the bitter feeling of war had passed, in his speech of December 23, 1920, Lloyd George said justly that the war broke out without any government having really desired it; all, in one way or another, slithered into it, stumbling and tripping.

There were three monarchies in Europe, the Russian, German, and Austro-Hungarian Empires, and the fact that they were divided into two groups necessarily led to war. It was inevitable sooner or later. Russia was the greatest danger, the greatest threat to Europe; what happened had to happen under one form or another. The crazy giant was under the charge of one man without intelligence and a band of men, the men of the old régime, largely without scruples.

Each country of Europe has its share of responsibility, Italy not excluded. It is difficult to explain

why Italy went to Tripoli in the way in which she did in 1911, bringing about the Italo-Turkish War, which brought about the two Balkan Wars and the policy of adventure of Serbia, which was the incident though not the cause of the European War.

The Libyan adventure, considered now in the serene light of reason, can not be looked on as anything but an aberration. Libya is an immense box of sand which never had any value, nor has it now. Tripolitania, Cyrenaica and Fezzan cover more than one million one hundred thousand square kilometers and have less than nine hundred thousand inhabitants, of whom even now, after ten years, less than a third are under the effective control of Italy. With the war and expenses of occupation, Libya has cost Italy about seven billion lire, and for a long time yet it will be on the debit side in the life of the nation. With the same number of billions, most of which were spent before the European War, Italy could have put in order and utilized her immense patrimony of water-power and to-day would be free from anxiety about the coal problem by which it is actually enslaved. The true policy of the nation was to gain economic independence, not a barren waste. Ignorant people spoke of Libya in Italy as a promised land; in one official speech the king was even made to say that Libya could absorb part of Italian emigration. That was just a phenomenon of madness, for Libya has no value at all from the agricultural, commercial or military point of view. It may pay its way one day, but only if all expenses are

cut down and the administrative system is completely changed. It may be that, if only from a feeling of duty toward the inhabitants, Italy can not abandon Libya now that she has taken it, but the question will always be asked why she did take it, why she took it by violence when a series of concessions could have been obtained without difficulty from the Turkish Government.

The Libyan enterprise, undertaken on an impulse, against the opinion of Italy's allies, Austria and Germany, against the wish of England and France, is a very serious political responsibility for Italy.

The European War was the consequence of a long series of movements, aspirations, agitations. It can not be denied, and it is recognized by clear-thinking men like Lloyd George, that France and England too have by their actions taken on themselves their part in the serious responsibility. To say that in the past they had never thought of war is to say a thing not true. And there is no doubt that all the diplomatic documents published before and during the war show in Russia, above all, a situation which inevitably would soon lead to war. In the Balkans, especially in Serbia, Russia was pursuing a cynical and shameless policy of corruption, nourishing and exciting every ferment of revolt against Austria-Hungary. Russian policy in Serbia was really criminal. Every one in Germany was convinced that Russia was preparing for war. The czar's pacificist ideas were of no importance whatever. In absolute monarchies it is an illusion to think that the sovereign,

though apparently an autocrat, acts in accordance with his own views. His views are almost invariably those of the people round him; he does not even receive news in its true form, but in the form given it by officials. Russia was an unwieldly giant who had shown signs of madness long before the actual revolution. It is impossible that a collective madness such as that which has had possession of Russia for three years could be produced on the spur of the moment; the régime of autocracy contained in itself the germs of Bolshevism and violence. Bolshevism can not properly be judged by Western notions; it is not a revolutionary movement of the people; it is, as I have said before, the religious fanaticism of the Eastern Orthodox grafted upon the trunk of czarist despotism. Bolshevism, centralizing and bureaucratic, follows the same lines as the imperial policy of almost every czar.

Undoubtedly the greatest responsibility for the war lies on Germany. If it has not to bear all the responsibility, as the treaties claim, it has to bear the largest share; and the responsibility lies, rather than on the shoulders of the emperor and the quite ordinary men who surrounded him, on those of the military caste and some great industrial groups. The crazy writings of General von Bernhardi and other disgusting publications of the same sort expressed, more than just theoretical views, the real hopes and tendencies of the whole military caste. It is true enough that there existed in Germany a real democratic society under the control of the civil

government, but there was the military caste too, with privileges in social life and a special position in the life of the state. This caste was educated in the conception of violence as the means of power and grandeur. When a country has allowed the military and social theories of General von Bernhardi and the senselessly criminal pronouncements of the Emperor William II to prevail for so many years, it has put the most formidable weapons possible into the hands of its enemies. The people who governed Germany for so long have no right to complain now of the conditions in which their country is placed. But the great German people, hard-working and persevering, has full right to look on such conditions as the negation of justice. The head of a European state, a man of the clearest view and calmest judgment, speaking to me of the Emperor William, of whose character and intellect he thought very little, expressed the view that the emperor did not want war, but that he would not avoid it when he had the chance.

The truth is that Germany troubled itself very little about France. Kinderlen Wachter, the most intelligent of the German foreign ministers, and perhaps the one most opposed to the war, when he outlined to me the situation as it was ten years ago, showed no anxiety at all except in regard to Russia. Russia might make war, and it was necessary to be ready or to see that it came about at a moment when victory was certain if conditions did not change. Germany had no reason at all for making war on

France from the time that it had got well ahead of that country in industry, commerce and navigation. It is true that there were a certain number of unbalanced people in the metal industry who talked complacently of French iron and stirred up the yellow Press, just as in France to-day there are many industrials with their eyes fixed on German coal which they want to seize as far as possible. But the intellectuals, the politicians, even military circles, had no anxiety at all except with regard to Russia.

There were mistaken views in German policy, no doubt, but at the same time there was real anxiety about her national existence. With a huge population and limited resources, with few colonies, owing to her late arrival in the competition for them, Germany looked on the never-ceasing desire of Russia for Constantinople as the ruin of her policy of expansion in the East.

And in actual fact there was but one way by which the three great empires, which in population and extension of territory dominated the greater part of Europe, could avoid war, and that was to join in alliance among themselves or at least not to enter other alliances. The three great empires divided themselves into two allied groups. From that moment, given the fact that in each of them the military caste held power, that the principal decisions lay in the hands of a few men not responsible to parliament; given the fact that Russia, faithful to her traditional policy, aimed to draw into her political orbit all the Slav peoples right down to the Adriatic

and the Ægean, and that Austria was leaning toward the creation of a third Slav monarchy in the dual kingdom, it was inevitable that sooner or later the violence, intrigue and corruption with which we are familiar should culminate in open conflict. Bismarck always saw that putting Russia and Germany up against each other meant war.

Peoples, like individuals, are far from representing with anything approaching completeness such social conceptions as we call violence and right, honesty and bad faith, justice and injustice; each people has its different characteristics, but no one people represents good, or another bad, no one represents brutality, or another civilization. All these meaningless phrases were brought out during the war, according to which, as was said by one of the prime ministers of the Entente, the war was the decisive struggle between the forces of autocracy and liberty, between the dark powers of evil and violence and the radiant powers of good and right. To-day all this causes nothing but a smile. Such things are just speechifying, and banal at that. Perhaps they were a necessity of war-time which might well be made use of; when you are fighting for your very life you use every means you have; when you are in imminent danger you do not choose your weapons, you use everything to hand. All the war propaganda against the German Empires, recounting, sometimes exaggerating, all the crimes of the enemy, claiming that all the guilt was on the side of Germany, describing German atrocities as a habit, almost a char-

acteristic of the German people, deriding German culture as a species of liquid in which were bred the microbes of moral madness—all this was legitimate, perhaps necessary, during the war. The reply to the asphyxiating gas of the enemy was not only the same gas, but a propaganda calculated to do more damage, and which did as much damage as tanks and blockade. I myself, as minister in a War Cabinet, spoke this language. I accused Germany of being responsible for the slaughter and having planned and willed it. But, when war is over, nothing should be put into a peace treaty except such things as will lead to a lasting peace, or the most lasting peace compatible with our degree of civilization.

On January 22, 1917, President Wilson explained the reasons why he made the proposal to put an end to the war; he said in the American Senate that the greatest danger lay in a peace imposed by conquerors after victory. At that time it was said that there must be neither conquerors nor conquered. A peace imposed after victory would be the cause of so much humiliation and such intolerable sacrifices for the conquered side, it would be so severe, it would give rise to so much bitter feeling that it would not be a lasting peace, but one founded on shifting sand. It is strange that President Wilson who, while he was in America, clearly saw these things, should on his arrival in Europe have little by little abandoned all resistance and have assumed the terrible responsibility for a peace which the American people have not been able to accept.

In the spring of 1919, just before the most serious decisions were to be taken, Lloyd George put before the conference a memorandum entitled "*Some considerations for the Peace Conference before they finally draft their terms.*"

With his marvelously quick insight, after having listened to the speeches of which force was the leading motive (the tendency round him was not to establish a lasting peace but to vivisect Germany), Lloyd George saw that it was not a true peace that was being prepared.

On March 25, 1919, Lloyd George presented the following memorandum to the Conference:

I

When nations are exhausted by wars in which they have put forth all their strength and which leave them tired, bleeding and broken, it is not difficult to patch up a peace that may last until the generation which experienced the horrors of the war has passed away. Pictures of heroism and triumph only tempt those who know nothing of the sufferings and terrors of war. It is therefore comparatively easy to patch up a peace which will last for thirty years.

What is difficult, however, is to draw up a peace which will not provoke a fresh struggle when those who have had practical experience of what war means have passed away. History has proved that a peace which has been hailed by a victorious nation as a triumph of diplomatic skill and statesmanship, even of moderation, in the long run has proved itself to be short-sighted and charged with

danger to the victor. The peace of 1871 was believed by Germany to insure not only her security but her permanent supremacy. The facts have shown exactly the contrary. France itself has demonstrated that those who say you can make Germany so feeble that she will never be able to hit back are utterly wrong. Year by year France became numerically weaker in comparison with her victorious neighbor, but in reality she became ever more powerful. She kept watch on Europe; she made alliance with those whom Germany had wronged or menaced; she never ceased to warn the world of its danger, and ultimately she was able to secure the overthrow of the far mightier power which had trampled so brutally upon her. You may strip Germany of her colonies, reduce her armaments to a mere police force and her navy to that of a fifth-rate power; all the same, in the end, if she feels that she has been unjustly treated in the peace of 1919, she will find means of exacting retribution from her conquerors. The impression, the deep impression, made upon the human heart by four years of unexampled slaughter will disappear with the hearts upon which it has been marked by the terrible sword of the Great War. The maintenance of peace will then depend upon there being no causes of exasperation constantly stirring up the spirit of patriotism, of justice or of fair play to achieve redress. Our terms may be severe, they may be stern and even ruthless, but at the same time they can be so just that the country on which they are imposed will feel in its heart that it has no right to complain. But injustice, arrogance, displayed in the hour of triumph, will never be forgotten nor forgiven.

For these reasons I am, therefore, strongly averse to transferring more Germans from German rule to the rule of some other nation than can possibly be helped. I can

not conceive any greater cause of future war than that the German people, who have certainly proved themselves one of the most vigorous and powerful races in the world, should be surrounded by a number of small states, many of them consisting of people who have never previously set up a stable government for themselves, but each of them containing large masses of Germans clamoring for reunion with their native land. The proposal of the Polish Commission that we should place 2,100,000 Germans under the control of a people of a different religion and which has never proved its capacity for stable self-government throughout its history, must, in my judgment, lead sooner or later to a new war in the east of Europe. What I have said about the Germans is equally true about the Magyars. There will never be peace in Southeastern Europe if every little state now coming into being is to have a large Magyar Irredenta within its borders.

I would therefore take as a guiding principle of the peace that as far as is humanly possible the different races should be allocated to their motherlands, and that this human criterion should have precedence over considerations of strategy or economics or communications, which can usually be adjusted by other means.

Secondly, I would say that the duration for the payments of reparation ought to disappear if possible with the generation which made the war.

But there is a consideration in favor of a long-sighted peace which influences me even more than the desire to leave no causes justifying a fresh outbreak thirty years hence. There is one element in the present condition of nations which differentiates it from the situation as it was in 1815. In the Napoleonic Wars the countries were equally exhausted, but the revolutionary spirit had spent

its force in the country of its birth, and Germany had satisfied the legitimate popular demands for the time being by a series of economic changes which were inspired by courage, foresight and high statesmanship. Even in Russia the czar had effected great reforms which were probably at that time even too advanced for the half-savage population. The situation is very different now. The revolution is still in its infancy. The extreme figures of the Terror are still in command in Russia. The whole of Europe is filled with the spirit of revolution. There is a deep sense not only of discontent, but of anger and revolt among the workmen against pre-war conditions. The whole existing order, in its political, social and economic aspects is questioned by the masses of the population from one end of Europe to the other. In some countries, like Germany and Russia, the unrest takes the form of open rebellion, in others, like France, Great Britain and Italy, it takes the shape of strikes and of general disinclination to settle down to work, symptoms which are just as much concerned with the desire for political and social change as with wage demands.

Much of this unrest is healthy. We shall never make a lasting peace by attempting to restore the conditions of 1914. But there is a danger that we may throw the masses of the population throughout Europe into the arms of the extremists, whose only idea for regenerating mankind is to destroy utterly the whole existing fabric of society. These men have triumphed in Russia. They have done so at a terrible price. Hundreds and thousands of the population have perished. The railways, the roads, the towns, the whole structural organization of Russia has been almost destroyed, but somehow or other they seem to have managed to keep their hold upon the masses of the Russian people,

and what is much more significant, they have succeeded in creating a large army which is apparently well directed and well disciplined, and is, as to a great part of it, prepared to die for its ideals. In another year Russia, inspired by a new enthusiasm, may have recovered from her passion for peace and have at her command the only army eager to fight, because it is the only army that believes that it has any cause to fight for.

The greatest danger that I see in the present situation is that Germany may throw in her lot with Bolshevism and place her resources, her brains, her vast organizing power at the disposal of the revolutionary fanatics whose dream it is to conquer the world for Bolshevism by force of arms. This danger is no mere chimera. The present government in Germany is weak; its authority is challenged; it lingers merely because there is no alternative but the Spartacists, and Germany is not ready for Spartacism, as yet. But the argument which the Spartacists are using with great effect at this very time is that they alone can save Germany from the intolerable conditions which have been bequeathed her by the war. They offer to free the German people from indebtedness to the Allies and indebtedness to their own richer classes. They offer them complete control of their own affairs and the prospect of a new heaven and earth. It is true that the price will be heavy. There will be two or three years of anarchy, perhaps of bloodshed, but at the end the land will remain, the people will remain, the greater part of the houses and the factories will remain, and the railways and the roads will remain, and Germany, having thrown off her burdens, will be able to make a fresh start.

If Germany goes over to the Spartacists it is inevitable that she would throw in her lot with the Russian Bol-

shevists. Once that happens all Eastern Europe will be swept into the orbit of the Bolshevik revolution, and within a year we may witness the spectacle of nearly three hundred million people organized into a vast red army under German instructors and German generals, equipped with German cannon and German machine guns and prepared for a renewal of the attack on Western Europe. This is a prospect which no one can face with equanimity. Yet the news which came from Hungary yesterday shows only too clearly that this danger is no fantasy. And what are the reasons alleged for this decision? They are mainly the belief that large numbers of Magyars are to be handed over to the control of others. If we are wise, we shall offer to Germany a peace, which, while just, will be preferable for all sensible men to the alternative of Bolshevism. I would therefore put it in the forefront of the peace that once she accepts our terms, especially reparation, we will open to her the raw materials and markets of the world on equal terms with ourselves, and will do everything possible to enable the German people to get upon their legs again. We can not both cripple her and expect her to pay.

Finally, we must offer terms which a responsible government in Germany can expect to be able to carry out. If we present terms to Germany which are unjust, or excessively onerous, no responsible government will sign them; certainly the present weak administration will not. If it did, I am told that it would be swept away within twenty-four hours. Yet if we can find nobody in Germany who will put his hand to a peace treaty, what will be the position? A large army of occupation for an indefinite period is out of the question. Germany would not mind it. A very large number of people in that country would welcome it, as it would be the only hope of preserving

the existing order of things. The objection would not come from Germany, but from our own countries. Neither the British Empire nor America would agree to occupy Germany. France by itself could not bear the burden of occupation. We should therefore be driven back on the policy of blockading the country. That would inevitably mean Spartacism from the Urals to the Rhine, with its inevitable consequence of a huge red army attempting to cross the Rhine. As a matter of fact, I am doubtful whether public opinion would allow us deliberately to starve Germany. If the only difference between Germany and ourselves were between onerous terms and moderate terms, I very much doubt if public opinion would tolerate the deliberate condemnation of millions of women and children to death by starvation. If so, the Allies would have incurred the moral defeat of having attempted to impose terms on Germany which Germany had successfully resisted.

From every point of view, therefore, it seems to me that we ought to endeavor to draw up a peace settlement as if we were impartial arbiters, forgetful of the passions of the war. This settlement ought to have the three ends in view.

First of all it must do justice to the Allies, by taking into account Germany's responsibility for the origin of the war, and for the way in which it was fought.

Secondly, it must be a settlement which a responsible German Government can sign in the belief that it can fulfil the obligations it incurs.

Thirdly, it must be a settlement which will contain in itself no provocations for future wars, and which will constitute an alternative to Bolshevism, because it will commend itself to all reasonable opinion as a fair settlement of the European problem.

II

It is not, however, enough to draw up a just and far-sighted peace with Germany. If we are to offer Europe an alternative to Bolshevism we must make the League of Nations into something which will be both a safeguard to those nations who are prepared for fair dealing with their neighbors and a menace to those who would trespass on the rights of their neighbors, whether they are imperialist empires or imperialist Bolshevists. An essential element, therefore, in the peace settlement is the constitution of the League of Nations as the effective guardian of international liberty throughout the world. If this is to happen the first thing to do is that the leading members of the League of Nations should arrive at an understanding between themselves in regard to armaments. To my mind it is idle to endeavor to impose a permanent limitation of armaments upon Germany unless we are prepared similarly to impose a limitation upon ourselves. I recognize that until Germany has settled down and given practical proof that she has abandoned her imperialist ambitions, and until Russia has also given proof that she does not intend to embark upon a military crusade against her neighbors, it is essential that the leading members of the League of Nations should maintain considerable forces both by land and sea in order to preserve liberty in the world. But if they are to present a united front to the forces both of reaction and revolution, they must arrive at such an agreement in regard to armaments among themselves as would make it impossible for suspicion to arise between the members of the League of Nations in regard to their intentions toward one another. If the League is to do its work for the world it will only be because the members of the League

trust it themselves and because there are no rivalries and jealousies in the matter of armaments between them. The first condition of success for the League of Nations is, therefore, a firm understanding between the British Empire and the United States of America and France and Italy, that there will be no competitive building up of fleets or armies between them. Unless this is arrived at before the Covenant is signed the League of Nations will be a sham and a mockery. It will be regarded, and rightly regarded, as a proof that its principal promoters and patrons repose no confidence in its efficacy. But once the leading members of the League have made it clear that they have reached an understanding which will both secure to the League of Nations the strength which is necessary to enable it to protect its members and which at the same time will make misunderstanding and suspicion with regard to competitive armaments impossible between them its future and its authority will be assured. It will then be able to insure as an essential condition of peace that not only Germany, but all the smaller states of Europe, undertake to limit their armaments and abolish conscription. If the small nations are permitted to organize and maintain conscript armies running each to hundreds of thousands, boundary wars will be inevitable, and all Europe will be drawn in. Unless we secure this universal limitation we shall achieve neither lasting peace nor the permanent observance of the limitation of German armaments which we now seek to impose.

I should like to ask why Germany, if she accepts the terms we consider just and fair, should not be admitted to the League of Nations, at any rate as soon as she has established a stable and democratic government? Would it not be an inducement to her both to sign the terms and

to resist Bolshevism? Might it not be safer that she should be inside the League than that she should be outside it?

Finally, I believe that until the authority and effectiveness of the League of Nations has been demonstrated, the British Empire and the United States ought to give France a guarantee against the possibility of a new German aggression. France has special reason for asking for such a guarantee. She has twice been attacked and twice invaded by Germany in half a century. She has been so attacked because she has been the principal guardian of liberal and democratic civilization against Central European autocracy on the continent of Europe. It is right that the other great Western democracies should enter into an undertaking which will insure that they stand by her side in time to protect her against invasion should Germany ever threaten her again, or until the League of Nations has proved its capacity to preserve the peace and liberty of the world.

III

If, however, the Peace Conference is really to secure peace and prove to the world a complete plan of settlement which all reasonable men will recognize as an alternative preferable to anarchy, it must deal with the Russian situation. Bolshevik imperialism does not merely menace the states on Russia's borders. It threatens the whole of Asia, and is as near to America as it is to France. It is idle to think that the Peace Conference can separate, however sound a peace it may have arranged with Germany, if it leaves Russia as it is to-day. I do not propose, however, to complicate the question of the peace with Germany by introducing a discussion of the Russian problem. I men-

tion it simply in order to remind ourselves of the importance of dealing with it as soon as possible.

The memorandum is followed by some proposals entitled "General Lines of the Peace Conditions," which would tend to make the peace less severe. It is hardly worth while reproducing them. As in many points the decisions taken were in the opposite sense it is better not to go beyond the general considerations.

Mr. Lloyd George's memorandum is a secret document, but as the English and American Press have already printed long passages from it, it is practically possible to give it in its entirety without adding anything to what has already been printed.

M. Tardieu has published M. Clemenceau's reply, drawn up by M. Tardieu himself and representing the French point of view:

I

The French Government is in complete accord with the general aim of Mr. Lloyd George's note to make a lasting peace and for that reason a just peace.

It does not believe, on the other hand, that this principle, which is its own, really leads to the conclusions deduced from it in this note.

II

This note suggests granting moderate territorial conditions to Germany in Europe in order not to leave her after the peace with feelings of deep resentment.

This method would be of value if the last war had merely been for Germany an European war, but this is not the case.

Germany before the war was a great world power whose "future was on the water." It was in this world power that she took pride. It is this world power that she will not console herself for having lost.

Now we have taken away from her—or we are going to take away from her—without being deterred by the fear of her resentment—all her colonies, all her navy, a great part of her merchant marine (on account of Reparations), her foreign markets in which she was supreme.

Thus we are dealing her the blow which she will feel the worst and it is hoped to soften it by some improvement in territorial terms. This is a pure illusion, the remedy is not adequate to the ill.

If for reasons of general policy, it is desired to give certain satisfactions to Germany, it is not in Europe that they must be sought. This kind of appeasement will be in vain so long as Germany is cut off from world politics.

In order to appease Germany (if such is the desire) we must offer her colonial satisfactions, naval satisfactions, satisfactions of commercial expansion. But the note of March 26 merely contemplates giving her European territorial satisfactions.

III

Mr. Lloyd George's note fears that if the territorial conditions imposed on Germany are too severe, it will give an impetus to Bolshevism. Is it not to be feared that this would be precisely the result of the action suggested?

The Conference has decided to call to life a certain number of new states. Can it without committing an injus-

tice sacrifice them out of regard for Germany by imposing upon them inacceptable frontiers? If these peoples—notably Poland and Bohemian—have so far resisted Bolshevism, they have done so by the development of national spirit. If we do violence to this sentiment, they will become the prey of Bolshevism and the only barrier now existing will be broken down.

The result will be either a Confederation of Central and Eastern Europe under the leadership of Bolshevist Germany or the enslavement of this same vast territory by Germany swung back to reaction after a period of general anarchy. In either case, the Allies will have lost the war.

The policy of the French Government is on the contrary to give strong support to these young nations with the help of all that is liberal in Europe and not to seek at their expense to attenuate—which besides would be useless—the colonial, naval and commercial disaster which the peace inflicts on Germany.

If in order to give to these young nations frontiers which are essential to their national life, it is necessary to transfer to their sovereignty Germans, the sons of those who enslaved them, one may regret having to do this and do it only with measure, but it can not be avoided.

Moreover, by depriving Germany totally and definitely of her colonies because she has ill-treated the natives, one forfeits the right to refuse to Poland or to Bohemia their natural frontiers on the ground that Germans have occupied their territory as the forerunners of Pan-Germanism.

IV

The note of March 26 insists—and the French Government is in complete agreement—on the necessity of making

a peace that will appear to Germany to be a just peace. But it may be remarked that taking German mentality into consideration, it is not sure that the Germans will have the same idea of what is just as the Allies have.

Finally it must be retained that this impression of justice must be felt not only by the enemy but also, and first of all, by the Allies. The Allies who have fought together must conclude a peace which will be fair to all of them.

But what would be the result of following the method suggested in the note of March 26?

A certain number of full and final guarantees would be insured to the maritime nations which have never been invaded.

Full and final cession of the German colonies.

Full and final surrender of the German Navy.

Full and final surrender of a large part of the German merchant marine.

Full and lasting, if not final, exclusion of Germany from foreign markets.

To the Continental nations, however, that is to say to those who have suffered the most from the war, only partial and deferred solutions are offered.

Partial solutions such as the reduced frontier suggested for Poland and Bohemia.

Deferred solutions such as the defensive undertaking offered to France for the protection of her territory.

Deferred solutions such as the proposed arrangement for the Saar coal.

There is here an inequality which may well have a disastrous influence on the after-war relations between the Allies, which are more important than the after-war relations between Germany and the Allies.

It has been shown in Paragraph I that it would be an

illusion to hope to find in territorial satisfactions given to Germany a sufficient compensation for the world-wide disaster she has sustained. May it be permitted to add that it would be an injustice to make the weight of these compensations fall upon those of the Allied nations which have borne the brunt of the war.

These countries can not bear the cost of the peace after having borne the cost of the war. It is essential that they too shall have the feeling that the peace is just and equal for all.

Failing this, it is not only Central Europe in which Bolshevism may be feared, for as events have shown, no atmosphere is more favorable to Bolshevism than that of national disappointment.

V

The French Government desires to confine itself for the time being to these considerations of general policy.

It pays full homage to the intentions which inspire Mr. Lloyd George's note, but it believes that the considerations which the present note deduces from it are in accord with justice and the general interest.

It is by these considerations that the French Government will be guided in the coming exchange of views during the discussion of the terms suggested by the prime minister of Great Britain.

These two documents are of more than usual interest.

The British prime minister, with his remarkable insight, at once notes the seriousness of the situation. He sees the danger to the peace of the world

in German depression. Germany oppressed does not mean Germany subjected. Every year France will become numerically weaker, Germany stronger. The horrors of war will be forgotten and the maintenance of peace will depend on the creation of a situation which makes life possible, does not cause exasperation to come into public feeling or into the just claims of Germans desirous of independence. Injustice in the hour of triumph will never be pardoned, can never be atoned.

So the idea of handing over to other states large groups of German nationality is not only an injustice, but a cause of future wars, and what can be said of Germans is also true of Magyars. No cause of future wars must be allowed to remain. Putting millions of Germans under Polish rule—that is, under an inferior people which has never shown any capacity for stable self-government—must lead to a new war sooner or later. If Germany in exasperation became a country of revolution, what would happen to Europe? You can impose severe conditions, but that does not mean that you can enforce them; the conditions to be imposed must be such that a responsible German Government can in good faith assume the obligation of carrying them out.

Neither Great Britain nor the United States of America can assume the obligation of occupying Germany if it does not carry out the excessively severe conditions which it is desired to impose. Can France occupy Germany alone?

From that moment Lloyd George saw the neces-

sity of admitting Germany into the League of Nations *at once,* and proposed a scheme of treaty containing conditions which, while very severe, were in part tolerable for the German people.

Clemenceau's reply, issued a few days later, contains the French point of view, and has an ironical note when it touches on the weak points in Lloyd George's argument. The war, says the French note, was not a European war; Germany's eyes were fixed on world power, and she saw that her future was on the sea. There is no necessity to show consideration regarding territorial conditions in Europe. By taking away her commercial fleet, her colonies and her foreign markets more harm is done to Germany than by taking European territory. To pacify her (if there is any occasion for doing so) she must be offered commercial satisfaction. At this point the note, in considering questions of justice and of mere utility, becomes distinctly ironical.

Having decided to bring to life new states, especially Poland and Czecho-Slovakia, why not give them safe frontiers even if some Germans or Magyars have to be sacrificed?

One of Clemenceau's fixed ideas is that criterions of justice must not be applied to Germans. The note says explicitly that, given the German mentality, it is by no means sure that the conception of justice of Germany will be the same as that of the Allies.

On another occasion, after the signing of the treaty, when Lloyd George pointed out the wisdom

of not claiming from Germany the absurdity of handing over thousands of officers accused of cruelty for judgment by their late enemies, and recognized frankly the impossibility of carrying out such a stipulation in England and in Italy, Clemenceau replied simply that the Germans are not like the English.

The neatest point in Clemenceau's note is the contradiction in which he tries to involve the British prime minister between the clauses of the treaty concerning Germany outside Europe, in which no moderation had been shown, and those regarding Germany in Europe, in which he himself did not consider moderation either necessary or opportune.

There was an evident divergence of views, clearing the way for a calm review of the conditions to be imposed, and here two countries could have exercised decisive action: the United States and Italy.

But the United States was represented by Wilson, who was already in a difficult situation. By successive concessions, the gravity of which he had not realized, he found himself confronted by drafts of treaties which in the end were contradictions of all his proposals, the absolute antithesis of the pledges he had given. It is quite possible that he had not seen where he was going, but his frequent irritation was the sign of his distress. Still, in the shipwreck of his whole program, he had succeeded in saving one thing, the covenant of the League of Nations which was to be prefaced to all the treaties. He wanted to go back to America and meet the

Senate with at least something to show as a record of the great undertaking, and he hoped and believed in good faith that the pact of the League of Nations would sooner or later have brought about agreement and modified the worst of the mistakes made. His conception of things was academic, and he had not realized that there was need to constitute the nations before laying down rules for the League; he trusted that bringing them together with mutual pledges would further most efficiently the cause of peace among the peoples. On the other hand, there was a mutual diffidence between Wilson and Lloyd George, and there was little likelihood that a move by the British prime minister would have checked the course the Conference had taken.

Italy might have done a great work if its representatives had had a clear policy. But, as M. Tardieu says, they had no share in the effective doings of the Conference, and their activity was almost entirely absorbed in the question of Fiume. The Conference was a three-sided conversation between Wilson, Clemenceau and Lloyd George, and the latter had hostility and diffidence on each side of him, with Italy—as earlier stated—for the most part absent. Also, it was just then that the divergence between Wilson and the Italian representatives reached its acute stage. The essential parts of the treaty were decided in April and the beginning of May, on April 22 the question of the right bank of the Rhine, on the 23rd or 24th the agreement about reparations. Italy was absent, and when the Italian

delegates returned to Paris without being asked on May 6, the text of the treaty was complete, in print. In actual fact, only one person did really effective work and directed the trend of the Conference, and that person was Clemenceau.

The fact that the Conference met in Paris, that everything that was done by the various delegations was known, even foreseen so that it could be opposed, discredited, even destroyed by the Press beforehand—a thing which annoyed Lloyd George so much that at one time he thought seriously of leaving the Conference—all this gave an enormous advantage to the French delegation and especially to Clemenceau who directed the Conference's work.

All his life Clemenceau has been a tremendous destroyer. For years and years he has done nothing but overthrow governments with a sort of obstinate ferocity. He was an old man when he was called to lead the country, but he brought with him all his fighting spirit. No one detests the Church and detests Socialism more than he; both of these moral forces are equally repulsive to his individualistic spirit. I do not think there is any man among the politicians I have known who is more individualistic than Clemenceau, who remains to-day the man of the old democracy. In time of war no one was better fitted than he to lead a fighting ministry, fighting at home, fighting abroad, with the same feeling, the same passion. When there was one thing only necessary in order to beat the enemy, never to falter in hatred, never to doubt the sureness of victory, no

one was comparable to him, no one could be more determined, no one more bitter. But when war was over, when it was peace that had to be insured, no one could be less fitted for the work. He saw nothing beyond his hatred for Germany, the necessity for destroying the enemy, sweeping away every bit of his activity, bringing him into subjection. On account of his age he could not visualize the problems of the future; he could only see one thing necessary, and that was immediate, to destroy the enemy and either destroy or confiscate all his means of development. He was not nationalist or imperialist like his collaborators, but before all and above all one idea lived in him, hatred for Germany. To render her barren, to deprive her of her supports, to destroy her—this was the consummation of the war which was proposed in the treaty of peace, and he and the financiers who surrounded him were the true artificers of the Treaty of Versailles and of the policy which is still in force.

He had said in the French Parliament that treaties of peace were nothing more than a way of continuing war, and in September, 1920, in his preface to M. Tardieu's book, he said that France must get reparation for Waterloo and Sedan. Even for Waterloo: "Waterloo and Sedan, to go back no further, forced upon us the grievous preoccupations of a policy of reparation."

Tardieu noted, as we have seen, that there were only three people in the Conference: Wilson, Clemenceau and Lloyd George. Orlando, he remarks,

spoke little, and Italy had no importance. With subtle irony he notes that Wilson talked like a university don criticizing an essay with the didactic logic of the professor. The truth is that after having made the mistake of staying in the Conference he did not see that his whole edifice was tumbling down, and he let mistakes accumulate one after the other, with the result that treaties were framed which, as already pointed out, actually destroyed all the principles he had declared to the world.

Things being as they were in Paris, Clemenceau's temperament, the pressure of French industry and of the newspapers, the real anxiety to make the future safe, and the desire on that account to annihilate Germany, France naturally demanded, through its representatives, the severest sanctions. England, given the realistic nature of its representatives and the calm clear vision of Lloyd George, always favored in general the more moderate solutions as those which were more likely to be carried out and would least disturb the equilibrium of Europe. So it came about that the decisions seemed to be a compromise, but were, on the other hand, actually so hard and so stern that they were impossible of execution.

Without committing any indiscretion it is possible to see now from the publications of the French representatives at the Conference themselves what France's claims were.

Let us try to sum them up.

As regards disarmament and control there could

have been and there ought to have been no difficulty about agreement. I am in favor of the reduction of all armaments, but I regard it as a perfectly legitimate claim that the country principally responsible for the war, and in general the conquered countries, should be obliged to disarm.

No one would regard it as unfair that Germany and the conquered countries should be compelled to reduce their armaments to the measure necessary to guarantee internal order only.

But a distinction must be drawn between military sanctions meant to guarantee peace and those destined to ruin the enemy. In actual truth, in his solemn pronouncements after the entry of the United States into the war, President Wilson had never spoken of a separate disarmament of the conquered countries, but of adequate guarantees *given and received* that national armaments should be reduced to the lowest point consistent with domestic safety. Assurances given and received: that is to say, an identical situation as between conquerors and conquered.

No one can deny the right of the conqueror to compel the conquered enemy to give up his arms and reduce his military armaments, at any rate for some time. But on this point too there was useless excess.

I should never have thought of publishing France's claims. Bitterness comes that way, responsibility is incurred, in future it may be an argument in your adversary's hands. But M. Tardieu has taken this office on himself and has told us all

France did, recounting her claims from the acts of the Conference itself. Reference is easy to the story written by one of the representatives of France, possibly the most efficient through having been in America a long time and having fuller and more intimate knowledge of the American representatives, particularly Colonel House.

Generally speaking, in every claim the French representatives started from an extreme position, and that was not only a state of mind, it was a tactical measure. Later on, if they gave any part of their claim, they had the air of yielding, of accepting a compromise. When their claims were of such an extreme nature that the anxiety they caused, the opposition they raised, was evident, Clemenceau put on an air of moderation and gave way at once. Sometimes, too, he showed moderation himself, when it suited his purpose, but in reality he only gave way when he saw that it was impossible to get what he wanted.

In points where English and American interests were not involved, given the difficult position in which Lloyd George was placed and Wilson's utter ignorance of all European questions, with Italy keeping almost entirely apart, the French point of view always came out on top, if slightly modified. But the original claim was always so extreme that the modification left standing the most radically severe measure against the conquered countries.

Many decisions affecting France were not sufficiently criticized. The position of the English and

the Americans toward France was such that every objection of theirs was bound to appear as an act of ill will, a pleading of the enemy's cause.

Previously, in nearly every case when peace was being made, the representatives of the conquered countries had been called to state their case, opportunity was given for discussion. The Russo-Japanese peace is an example. Undoubtedly the aggression of Russia had been unscrupulous and premeditated, but both parties participated in drawing up the peace treaty. At Paris, possibly for the first time in history, the destiny of the most cultured people in Europe was decided—or rather it was thought that it was being decided—without even listening to what they had to say and without hearing from their representatives if the conditions imposed could or could not possibly be carried out. Later on an exception, if only a purely formal one, was made in the case of Hungary, whose delegates were heard; but it will remain forever a terrible precedent in modern history that, against all pledges, all precedents and all traditions, the representatives of Germany were never even heard; nothing was left to them but to sign a treaty at a moment when famine and exhaustion and threat of revolution made it impossible not to sign it.

If Germany had not signed she would have suffered less loss. But at that time conditions at home with latent revolution threatening the whole empire, made it imperative to accept any solution, and all the more as the Germans considered that they

were not bound by their signature, the decisions having been imposed by violence without any hearing being given to the conquered party, and the most serious decisions being taken without any real examination of the facts. In the old canon law of the Church it was laid down that every one must have a hearing, even the devil: *Etiam diabulus audiatur* (Even the devil has the right to be heard). But the new democracy, which proposed to install the society of the nations, did not even obey the precepts which the dark Middle Ages held sacred on behalf of the accused.

Conditions in Germany were terribly difficult, and an army of two hundred thousand men was considered by the military experts the minimum necessary. The military commission presided over by Marshal Foch left Germany an army of two hundred thousand men, recruited by conscription, a staff in proportion, service of one year, fifteen divisions, 180 heavy guns, 600 field-guns. That is less than what little states without any resources have now, three years after the close of the war. But France at once imposed the reduction of the German Army to 100,000 men, of whom 4,000 were to be officers, no conscription but a twelve years' service of paid soldiers, artillery reduced practically to nothing, no heavy guns at all, very few field-guns. No opportunity was given for discussion, nor was there any. Clemenceau put the problem in such a way that discussion was out of the question: "It is France who to-morrow as yesterday will be face to face with

Germany." Lloyd George and Colonel House confined themselves to saying that if on this point France formally expressed her views, Great Britain and the United States had no right to oppose them. Lloyd George was convinced that the measures were too extreme and had tried on May 23, 1919, to modify them; but France insisted on imposing on Germany this situation of tremendous difficulty.

I have referred to the military conditions imposed on Germany: destruction of all war material, fortresses and armament factories; prohibition of any trade in arms; destruction of the fleet; occupation of the west bank of the Rhine and the bridgeheads for fifteen years; Allied control, with wide powers, over the execution of the military and naval clauses of the treaty, with consequent subjection of all public administrations and private companies to the will of a foreigner, or rather of an enemy kept at the expense of Germany itself and at no small expense, etc. In some of the inter-allied conferences I have had to take note of what these commissions of control really are, and their absurd extravagance, based on the argument that the enemy must pay for everything.

The purport of France's action in the Conference was not to insure safe military guarantees against Germany but to destroy her, at any rate to cut her up. And indeed, when France had got all she wanted and Germany was helpless, she continued the same policy, even intensifying it. Every bit of territory possible must be taken, German unity must be brok-

en, and not only military but industrial Germany must be laid low under a series of controls and an impossible number of obligations.

All know how, in Article 428 of the treaty, it is laid down, as a guarantee of the execution of the treaty terms on the part of Germany, or rather as a more extended military guarantee for France, that German territory on the west bank of the Rhine and the bridgeheads are to be occupied by Allied and Associated troops for fifteen years, methods and regulations for such occupation following in Articles 429 and 432.

This occupation not only gives deep offense to Germany (France has always looked back with great bitterness on the few months' military occupation by her Prussian conquerors in the War of 1870), but it paralyzes all her activity and is generally judged to be completely useless.

All the Allies were ready to give France every military guarantee against any unjust aggression by Germany, but France wanted in addition the occupation of the left bank of the Rhine. It was a very delicate matter, and the notes presented to the Conference by Great Britain on March 26 and April 2, by the United States on March 28 and April 12, show how embarrassed the two governments were in considering a question that France regarded as essential for her future. It has to be added that the action of Marshal Foch in this matter was not entirely constitutional. He claimed that, independently of nationality, France and Belgium have the

right to look on the Rhine as the indispensable frontier for the nations of the west of Europe, *et par là, de la civilisation.* Neither Lloyd George nor Wilson could swallow the argument of the Rhine as a frontier between the civilization of France and Belgium —all civilization, indeed—and Germany.

In the treaty the occupation of the left bank of the Rhine and the bridgeheads by the Allied and Associated Powers for fifteen years was introduced as a compromise. Such districts will be evacuated by degrees every five years if Germany shall have faithfully carried out the terms of the treaty. Now the conditions of the treaty are in large measure impossible of execution, and in consequence no execution of them can ever be described as faithful. Further, the occupying troops are paid by Germany. It follows that the conception of the occupation of the left bank of the Rhine was of a fact of unlimited duration. The harm that would result from the occupation was pointed out at the Conference by the American representatives and even more strongly by the English. What was the use of it, they asked, if the German Army were reduced to 100,000 men? M. Tardieu himself tells the story of all the efforts made, especially by Lloyd George and Bonar Law, to prevent the blunder which later on was endorsed in the treaty as Article 428. Lloyd George went so far as to complain of political intrigues for creating disorder on the Rhine. But Clemenceau took care to put the question in such a form that no discussion was possible. In the matter

of the occupation, he said to the English, you do not understand the French point of view. You live in an island with the sea as defense, we on the continent with a bad frontier. We do not look for an attack by Germany but for systematic refusal to carry out the terms of the treaty. Never was there a treaty with so many clauses, with, consequently, so many risks of evasion. Against that risk the material guarantee of occupation is necessary. There are two methods in direct contrast: "In England it is believed that the way to succeed is by making concessions. In France we believe that it is by taking decisive action."

On March 14 Lloyd George and Wilson had offered France the fullest military guarantee in place of the occupation of the left bank of the Rhine. France wanted, and in fact got, the occupation as well as the alliances. "Our object?" says Tardieu. "To make sure of the proffered guarantee but with the addition of occupation." Outside the Versailles Treaty the United States and Great Britain had made several treaties of alliance with France for the event of unprovoked aggression by Germany. Later on the French-English Treaty was approved by the House of Commons, the French-American underwent the same fate as the Versailles Treaty. But the treaty with Great Britain fell through also on account of the provision that it should come into force simultaneously with the American Treaty.

In a Paris newspaper Poincaré published in September, 1921, some strictly private documents on

the questions of the military guarantees and the occupation of the left bank of the Rhine. He wished to get the credit of having stood firm when Clemenceau himself hesitated at the demand for an occupation of the left bank of the Rhine for even a longer period than fifteen years. He has published the letter he sent to Clemenceau to be shown to Wilson and Lloyd George and the latter's reply.

He said that there must be no thought of giving up the occupation and renouncing a guarantee until every obligation in the treaty should have been carried out; he went so far as to claim that in occupation regarded as a guarantee of a credit representing an indemnity for damages, there is nothing contrary to the principles proclaimed by President Wilson and recognized by the Allies. Nor would it suffice even to have the faculty of reoccupation, because "this faculty" could never be a valid substitute for occupation. As regards the suggestion that a long occupation or one for an indeterminate period would cause bad feeling, M. Pioncaré was convinced that this was an exaggeration. A short occupation causes more irritation on account of its arbitrary limit; every one understands an occupation without other limit than the complete carrying out of the treaty. The longer the time that passes the better would become the relations between the German populations and the armies of occupation.

Clemenceau communicated Pioncaré's letter to Lloyd George. The British prime minister replied on May 6 in the clearest terms. In his eyes, forcing

Germany to submit to the occupation of the Rhine and the Rhine Provinces for an unlimited period, was a provocation to renew the war in Europe.

During the Conference, France put forward some proposals, the aim of which was nothing less than to split up Germany. A typical example is the memorandum presented by the French delegation claiming the annexation of the Saar territory. This is completely German; in the six hundred and fifty thousand inhabitants before the war there were not a hundred French. Not a word had ever been said about annexation of the Saar either in government pronouncements or in any vote in the French Parliament, nor had it been discussed by any political party. No one had ever suggested such annexation, which certainly was a far more serious thing than the annexation of Alsace-Lorraine to Germany, as there was considerable German population in Alsace-Lorraine. There was no French population at all in the Saar, and the territory in question could not even be claimed for military reasons but only for its economic resources. Reasons of history could not count, for they were all in Germany's favor. Nevertheless the request was put forward as a matter of sentiment. Had not the Saar belonged in other days entirely or in part to France? Politics and economics are not everything, said Clemenceau; history also has great value. For the United States a hundred and twenty years are a long time; for France they count little. Material reparations are not enough, there must be moral

reparations too, and the conception of France can not be the same as that of her Allies. The desire for the Saar corresponded, according to Clemenceau, to a need of moral reparation.

On this point, too, the extreme French claim was modified. The Saar mines were given to France, not provisionally as a matter of reparations, but permanently with full right of possession and full guarantees for their working. For fifteen years from the date of the treaty the government of the territory was put in the hands of the League of Nations as trustee; after fifteen years the population, entirely German, should be called to decide under what government they desired to live. In other words, in a purely German country, which no one in France had ever claimed, of which no one in France had ever spoken during the war, the most important property was handed to a conquering state, the country was put under the administration of the conquerors (which is what the League of Nations actually is at present), and after fifteen years of torment the population is to be put through a plebiscite. Meanwhile the French custom regulations rule in the Saar and the national sentiment of its inhabitants is subjected to every form of absurd and iniquitous offense.

It was open to the treaty to adopt or not to adopt the system of plebiscites. When it was a case of handing over great masses of German populations, a plebiscite was imperative—at any rate, where any doubt existed, and the more so in concessions which

formed no part of the war aims and were not found in any pronouncement of the Allies. On the other hand, in all cessions of German territory to Poland and Bohemia, no mention is made of a plebiscite because it was a question of military necessity or of lands which had been historically victims of Germany. But only for Schleswig, Upper Silesia, Marienwerder, Allenstein, Klagenfurth and the Saar were plebiscites laid down—and with the exception that the plebiscite itself, when, as in the case of Upper Silesia, it resulted in favor of Germany, was not regarded as conclusive.

But where the most extreme views clashed was in the matter of reparations and the indemnity to be claimed from the enemy.

We have already seen that the theory of reparation for damage found its way incidentally, even before the treaty was considered, into the armistice terms. No word had been said previously of claiming from the conquered enemy anything beyond restoration of devastated territories, but after the war another theory was produced. If Germany and her allies are solely responsible for the war, they must pay the whole cost of the war: damage to property, persons and war expenses generally. When damage has been done, he who has done the wrong must make reparation for it to the utmost limit of his resources.

The American delegation struck a note of moderation: no claim should be made beyond what was established in the peace conditions, reparation for

actions which were an evident violation of international law, restoration of invaded country, and reparation for damage caused to the civil population and to its property.

During the war there were a number of exaggerated pronouncements on the immense resources of Germany and her capacity for payment.

Besides all the burdens with which Germany was loaded, there was a discussion on the sum which the Allies should claim. If the war had cost seven hundred billion francs, the claims for damage to persons and property amounted to at least three hundred and fifty billions for all the Allies together.

Whatever the sum might be, when it had been laid down in the treaty what damage was to be idemnified, the French negotiators claimed sixty-five per cent., leaving thirty-five per cent. for all the others.

What was necessary was to lay down proportions, not the actual amount of the sum. It was impossible to say at once what amount the damages would reach: that was the business of the Reparations Commission.

Instead of inserting in the treaty the enormous figures spoken of, the quality, not the quantity, of the damages to be indemnified was laid down. But the standard of reckoning led to fantastic figures.

An impossible amount had to be paid, and the delegations were discussing then the very same things that are being discussed now. The American experts saw the gross mistake of the other delegations, and put down as the maximum payment three

hundred and twenty-five billion marks up to 1951, the first payment to be twenty-five billion marks in 1921. So was invented the Reparations Commission machine, a thing which has no precedent in any treaty, being a commission with sovereign powers to control the life of the whole of Germany.

In actual truth no serious person has ever thought that Germany can pay more than a certain number of billions a year, no one believes that a country can be subjected to a régime of control for thirty years.

But the directing line of work of the treaties has been to break down Germany, to cut her up, to suffocate her.

France had but one idea, and later on did not hesitate to admit it: to dismember Germany, to destroy her unity. By creating intolerable conditions of life, taking away territory on the frontier, putting large districts under military occupation, delaying or not making any diplomatic appointments and carrying on communications solely through military commissions, a state of things was brought about that must inevitably tend to weaken the constitutional unity of the German Empire. Taking away from Germany eighty-four thousand kilometers of territory, nearly eight million inhabitants and all the most important mineral resources, preventing the union of the German people with the six million and five hundred thousand of German Austrians to which Austria was then reduced, putting the whole German country under an interminable series of controls—all this did more harm to

German unity than would have been done by taking the responsibility of a forcible and immediate division to which the Germans could not have consented and which the Allies could not have claimed to impose.

What has been said about Germany and the Versailles Treaty can be said about all the other conquered countries and all the other treaties, with merely varying proportions in each case.

The verdict that has to be passed on them will very soon be shown by facts—if indeed facts have not shown already that, in great measure, what had been laid down can not be carried out. One thing is certain, that the actual treaties threaten to ruin conquerors and conquered, that they have not brought peace to Europe, but conditions of war and violence. In Clemenceau's words, the treaties are a method of continuing war.

But, even if it were possible to dispute that, as men's minds can not yet frame an impartial judgment and the danger is not seen by all, there is one thing that can not be denied or disputed, and that is that the treaties are the negation of the principles for which the United States and Italy, without any obligation on them, entered the war; they are a perversion of all the Entente had repeatedly proclaimed; they break into pieces President Wilson's fourteen points which were a solemn pledge for the American people, and to-morrow they will be the greatest moral weapon with which the conquered of to-day will face the conquerors of to-day.

IV

THE CONQUERORS AND THE CONQUERED

How many states are there in Europe? Before the war the political geography of Europe was virtually fixed by history. To-day every part of Europe is in a state of flux. The only absolute certainty is that in Continental Europe conquerors and conquered are in a condition of spiritual, as well as economic, unrest. It is difficult indeed to say how many political units there are and how many are lasting, and what new wars are being prepared, if a way of salvation is not found by some common endeavor to restore that peace which the treaty makers at Paris did not succeed in establishing. How many thinking men can, without perplexity, remember how many states there are and what they are: arbitrary creations of the treaties, creations of the moment, territorial limitations imposed by the necessities of international agreements. The situation of Russia is so uncertain that no one knows whether new states will arise as a result of her further disintegration or if she will be reconstructed in a solid, unified form, and whether other states among those which have arisen will collapse.

Without taking into account those traditional little states which are merely historical curiosities, as Monaco, San Marino, Andorra, Monte Santo, not counting Iceland as a state apart, not including the Saar, which as a result of one of the absurdities of the Treaty of Versailles is an actual state outside Germany, but considering Montenegro as an existing state, Europe probably comprises more than thirty states. Some of them are, however, in such a condition that they do not give promise of the slightest guarantee of life or security. Further, about thirty states arisen on the territory of the late Russian Empire as yet enjoy only a more or less conditional status.

Europe has been rather Balkanized: not only did the war come from the Balkans, but also many ideas, which have been largely exploited in parliamentary and newspaper circles. Listening to many speeches and being present at many events to-day leaves the sensation of being in Belgrade or at Sarajevo.

Europe, including Russia and including also the Polar archipelagoes, covers an area of a little more than ten million square kilometers. Canada is of almost the same size; the United States of America has about the same territory.

The historical procedure before the war was toward the formation of large territorial units; the *post-bellum* procedure is entirely toward a process of dissolution, and the splitting up, resulting in part from necessity and in part also from the desire to dismember the old empires and to weaken Germany,

has assumed proportions almost impossible to foresee.

In the relations between the various states good and evil are not abstract ideas: political actions can only be judged by their results. If the treaties of peace which have been imposed on the conquered were capable of application, we could, from an ethnical point of view, regret some or many of the decisions; but we should nevertheless have to wait for the results of time for a definite judgment.

The difficulty lies in the fact that the treaties that have been concluded can not be applied, or at least can not be applied without the rapid dissolution of Europe and the collapse of the conquerors themselves.

So the balance sheet of the Peace, three years after the armistice, that is three years after the war, indicates on the whole that the situation has grown steadily worse. The spirit of violence has not died out, and perhaps in some countries not even diminished: on the other hand the causes of material unrest and of instability have increased, the line of division between the two groups has grown sharper and the causes of hatred have been strengthened and unified. The mad dance of the foreign exchanges indicates a process of undoing and not a tendency to reconstruction.

We have referred in a general manner to the conditions of Germany as a result of the Treaty of Versailles: even worse is the situation of the other conquered countries, in so far that either they have

not been treated with due regard, or they have lost so much territory that they have no possibility of reconstructing their national existence. Such is the case with Austria, with Turkey and with Hungary. Bulgaria, which has a tenacious and compact population composed of small agriculturists faces less difficult conditions of reconstruction.

Germany has fulfilled loyally all the conditions of disarmament. After she had handed over her fleet, she destroyed her fortifications, she destroyed all the material up to the extreme limit imposed by the treaties, she disbanded her enormous armies. If in any one of the works of destruction she proceeded grudgingly, if she sought to delay them, it would be perfectly explicable. We walk more quickly to a ball than to a funeral. At the actual moment Germany has no fleet, no army, no artillery, and is in a condition in which she could not reply to any act of violence. This is why all the aggressions of the Poles against Germany have met with no reply in kind.

All this is so evident that no one can raise doubts on the question.

Every one remembers, said Hindenburg, the difficult task that the United States had in putting in the field an army of a million men. Nevertheless they had the protection of the ocean during the period when they were preparing their artillery and the material for their air service.

Germany for her aviation, for her heavy artillery, for her armaments is not even separated by the

ocean from the Allies, and, on the contrary, they are firmly established in German territory: it would require many months to prepare a new war, during which France and her allies would not be inactive.

General Ludendorff recently made certain declarations which have a capital importance, since they fit the facts exactly. He declared that a war of reconquest by Germany against the Allies and especially against France is for an indefinite time completely impossible from the technical and military point of view. France has an army largely supplied with all the means of battle, ready to march at any time, which could smash any German military organization hostile to France. The more so since by the destruction of the German war industries, Germany has lost every possibility of arming herself afresh. It is absurd to believe that a German army ready for modern warfare can be organized and put on a war footing secretly. A German army which could fight with the least possible hope of success against an enemy army, armed and equipped in the most modern manner, would first of all have to be based on a huge German war industry, which naturally could not be improved or built up in secret. Even if a third power wished to arm Germany, it would not be possible to arm her so quickly and mobilize her in sufficient time to prevent the enemy army from obtaining an immediate and decisive victory.

It is recognized even in France that if Germany should start a war under present conditions this

would indicate only her desire to commit suicide. In consequence of the treaty all possible obstacles have been marshalled against the German peril: and against Germany there have been accumulated "*such guarantees that never before has history recorded the like,*"* and Germany can not do anything for many years. Mobilization requires years and years for preparation and the greatest publicity for its execution.

Wilson spoke of guarantees *given and received* for the reduction of armaments. Instead after the treaties had been concluded, if the conquered were completely disarmed, the conquering nations have continued to arm. Almost all the conquering nations have not only increased their expenses but their armies as well. If the conditions of peace imposed by the treaties had been considered possible, considering that the former enemies are now harmless, against whom is this continual race of armaments directed?

We have already seen the military conditions imposed on Germany, a small mercenary army, no obligatory conscription, no military instruction, no aviation, no artillery except a minimum, and insignificant quantity required by the necessities of civil order. Austria, Bulgaria, and Hungary can only have insignificant armies. Austria may maintain under arms 30,000 men, but her ruined finances only permit her according to the latest reports, to keep 21,700: Bulgaria has 20,000 men plus 3,082 gen-

*Tardieu, *The Truth about the Treaty.*

darmes: Hungary, according to the Treaty of Trianon, has 35,000. Turkey in Europe which hardly exists any more as a territorial state, except for the city of Constantinople, where the sovereignty of the sultan is more apparent than real, has in reality no army at all.

Taken all together the states which formed Germany's powerful nucleus of military strength as they are now reduced territorially, have under arms less than 180,000 men, not including naturally those new states risen on the ruins of the old central empires and which arm themselves by the request and sometimes in the interest of some state of the Entente.

The old enemies therefore are not in a condition to make war, and are placed under all manner of controls. Sometimes the controls are even of a very singular nature. All have been occupied in giving the sea to the victors. Poland has obtained possession of that absurd and immoral paradox, the State of Danzig, in order that it might have an outlet on the sea. The constant aim of the Allies, even in opposition to Italy, has been to give free and safe outlets on the seacoast to the Serb-Croat-Jugo-Slav State.

At the Conference of London and San Remo, I repeatedly referred to the expenses of these military missions of control and often their outrageous imposition on the conquered who are suffering from hunger. There are generals who have credited themselves with expenses and indemnity charges of such

sorts that they have built up for themselves, salaries which are far superior to that of the president of the United States of America. At Vienna and Budapest, where the people are dying of hunger, the Commission for the Danube constitutes a veritable junketing trip. It is only necessary to look at the expense accounts of the Reparations Commissions to be convinced that this sad spectacle of greed and luxury humiliates the victors more than the conquered.

The most rapacious war profiteers, both civil and military, have had themselves appointed upon commissions of control for the disarmament of the conquered and the execution of the treaties, and nearly all of them run up salary and expense accounts that are simply stupendous. All this is done not only in a spirit of greed but in a spirit of violence and revenge.

I do not wish to publish data which have been furnished to me by impartial persons in authority, but grafters and adventurers have been scattered throughout Europe. They were of such a sort that the robber barons of the Middle Ages might have studied their methods with profit, and some day all this will be regarded as a disgrace.

Enormous and useless commissions with impossible aims and programs of dissipation are nothing less than thefts.

And all this in the name of the rights of victory has been carried out by peoples who call themselves civilized and democratic.

German-Austria has lost all access to the sea. She can not live on her resources with her enormous capital in ruins. She can not unite with Germany being a purely German country, because the treaty requires the unanimous consent of the League of Nations, and France having refused: it is therefore impossible! She can not unite with Czecho-Slovakia, with Hungary and other countries which have been formed from the Austrian Empire because that is against the aspirations of the German populations, and would mean the reconstitution of that Danube State which, with its numerous incompatibilities, was one of the essential causes of the war. Austria has lost all access to the sea, has turned over her fleet and her merchant marine, but in return has received in exchange the doubtful advantage of numerous Inter-Allied commissions of control to safeguard the military, naval and aeronautic clauses. But there are clauses which can no longer be justified, as for instance, since Austria has no longer seacoast, Art. 140 of the Treaty of St. Germain, which forbids the construction or acquisition of any sort of submergible vessel, even commercial. It is impossible to understand why (Art. 143) the wireless high power station of Vienna is not allowed to transmit other than commercial telegrams, under the surveillance of the Allied and Associated Powers, who take the trouble to determine even the length of the wave to be used.

Before the war, in 1914, France desired to bring her army to the maximum of efficiency: opposite a

great German army was to be found a great French army.

Germany had in 1913, according to the budget presented to the Reichstag, a standing army of 647,000 soldiers of all arms, of which 105,000 were non-commissioned officers, and 30,000 officers. It was the greatest army of Europe and of the world, considered in its real efficiency.

While Germany has no longer an army, France on the first of July, 1921, had under arms 810,000 men of which 38,473 were officers, therefore many more than Germany had before the war. Considering her situation and necessities this means the greatest military force which has been seen in modern times and can only have two reasons: either military domination, or ruin. The military budget proposed for the present year in the ordinary section is for 2,782 million francs, besides that portion paid by Germany for the army of occupation: the extraordinary section of the same budget is for 1,712 million francs, besides 635 million for expenses repayable for the maintenance of troops of occupation in foreign countries.

Austria-Hungary had in 1913 a total of 34,000 officers and 390,249 men: the states which have arisen upon the ruins of her empire have a good many more. While German-Austria has as a matter of fact only 21,700 men, and Hungary has only 35,000, Czecho-Slavakia has 150,000 men of whom 10,000 are officers, Jugo-Slavia has about 120,000 of whom 8,000 to 10,000 are officers.

But the two Allies of France, Belgium and Poland, Belgium no longer neutral, Poland always in disorder and in a state of continual provocation abroad and of increasing anarchy at home, have in their turn armies which previous to the war could have been maintained only by a first-class power. Belgium has doubled her peace effectives, which now amount to 113,500 men, an enormous army for a population which is about equal to that of the city of New York or London.

Poland, whose economic conditions are completely disastrous, and may be described as having neither money nor credit, but which maintains more employees than any other country on earth, has under arms not less than 430,000 men, and often many more, and possibly has to-day many more, about 600,000. Her treaty with France imposes on her military obligations, the extension of which can not be compatible with the policy of a country desiring peace. Poland has besides vast dreams of greatness abroad, and growing ruin in the interior. She enslaves herself in order to enslave others, and pretends in her disorder to control and dominate much more intelligent and cultured peoples.

Rumania has under arms 160,000 men, besides 30,000 carabineers, and 16,000 frontier guards. Greece has, particularly on account of her undertakings in Asia Minor, which can only be accounted for on the score of her unintelligent nationalistic exaltation, more than 400,000 men under arms. She is suffocating under the weight of heavy armaments

and can move only with difficulty. She is headed for ruin.

The two wards of the Entente, Greece and Poland, exactly like naughty children, pursue a policy of greed and caprice. Poland is not the result of her own effort, but of the effort of the Entente. Greece never found the way to contribute heavily to the war with a strong army and after the war has the largest army which she has ever had in her history.

Great Britain and Italy are the only two countries which have largely demobilized: in a much greater measure Great Britain. It is calculated that Great Britain has under arms 201,000 men, of which 15,030 are officers. In this number however are not included 75,896 men in India and the personnel of the air force.

In Italy, on the 31st of July, 1921, there were under arms 351,076 soldiers and 18,138 officers: in all 369,214, of which however 56,529 were carabineers carrying out duties almost exclusively of public order.

Under the pressure and as a result of the example of the states which are creations of the war, those states which did not take part have also largely augmented their armies.

So that now that the conquered are no longer to be considered a source of danger, we are faced with this paradoxical situation: the neutrals during the war have been developing their armaments, and the conquerors have increased theirs out of all proportion.

No one can tell what may be the position of Bolshevik Russia; probably she has not much less than a million of men under arms; since in a communist régime the vagabonds and adventurers find the easiest occupation in the army.

The conquerors, having disarmed the conquered, have imposed their economic conditions, their absurd morality and territorial humiliations as those imposed on Bulgaria, Turkey and Hungary, conditions which are sufficiently difficult to maintain. And, as the ferment of hate develops, the conquerors do not disarm. Above all the little states do not disarm, who have wanted too much, have obtained too much and now do not know how to preserve what they have. In many countries for certain social reasons war has become an industry; they live on the state of war. What would they do without a state of war?

In general, then, Europe has considerably more men under arms than in 1913. Not only has it not disarmed, as the Entente always declared would be the consequence of victory through the principles of democracy, but the victors are always leaning toward further armament. The more difficult it becomes to maintain the conditions of the peace, because of their severity and their absurdity, the more necessary it is to maintain armies. The conquered have no armies: the conquerors are, or perhaps up to a short time ago were, sure that the big armies would serve to enforce the payment of the indemnities. Now as a matter of fact they ought not to serve for anything else.

At the Conference of London, after a long discussion, in February, 1920, the manifesto was drawn up which warned Europe of the perils of the economic situation. Lloyd George and myself were readily agreed that the gravest dangers, and the principal cause of high prices and of economic disorder, was the maintenance of large armies and the continuation of the state of war.

A Europe divided sharply into two parts can not be pacific, even after the conquered have yielded up their arms. The conquerors are bound to arm themselves because of their own restlessness, from the conviction that the only salvation is in force, which brings about, if not a true peace, at least an armed peace: if not the development of production and exchange, at least the possibility of cutting off from the markets the very foundations of riches.

Violence begets new violence. If the conditions of the peace can not be fulfilled, other heavier conditions can be imposed. In France irresponsible people are already advocating the necessity of permanently occupying the Ruhr, the greatest German center for the production of coal, and are not inclined to respect the plebiscite of Upper Silesia.

In violation of the treaty in the years 1920 and 1921 France has five times threatened to invade the right bank of the Rhine. In March, 1920, without the consent of Italy and Great Britain, indeed in direct opposition to them, she occupied Frankfort and Darmstadt. I was at the head of the Italian Government at that time and did not fail to

point out the risk and danger of such violent action. In July, 1920, the threat of another invasion forced Germany to yield. In March, 1921, Duisburg, Ruhrort and Dusseldorf were occupied on empty pretexts and the occupation was continued even after Germany had fulfilled the conditions which had been imposed. Again in April and May, 1921, France threatened to reinvade the Ruhr and it would seem that such invasion is part of the program of the French metallurgical industries which are eager to disorganize Germany's production of coal.

When in a single year three invasions of the right bank of the Rhine have been made and two others have been threatened, even a great army is not sufficient. Imperialistic France, exhausted by war and her territorial problems, is constrained to maintain (and to make Germany maintain for her) an army larger than any recorded in modern history.

What has been said about the armies is true also about the fleets. There is a race toward the increase of naval armaments. If first that was the preoccupation of the conquered, now it is the preoccupation of the conquerors. Since the war the rôles have merely been reversed and distrust increased.

The state of mind which has been created between Great Britain, the United States of America and Japan, deserves to be seriously examined. The race for naval armaments in which these three countries have entered is a fact to give us pause and the

competition between the two great Anglo-Saxon peoples can not be other than harmful to civilization.

The great war which has been fought, was at bottom the struggle between the Germanic races and the Slav races: it was fear of these latter and not of France that drove Germany to war and precipitated events. The results of the continental war however, are the suppression of Germany which lost, as well as of Russia which had not resisted, and France alone has gathered the fruits of the situation. If they can be called that, among the thorns which everywhere surround the victory.

But the war was decided above all by the intervention of the Anglo-Saxon peoples, Great Britain with her dominions, the United States of America. Only the lack of political sagacity of German statesmen made possible the union in a single group of peoples whose interests were fundamentally divergent! Great Britain, Russia, the United States of America, Japan, France, and Italy.

But now the situation in Europe and especially that in Asia is creating new rivalries and this finds expression in the abuse of naval armament. The expenses for the navies, according to the figures of the various budgets from 1914 to 1921, have risen in the United States of America from 702,000,000 of lire to 2,166,000,000, in Great Britain from 1,218,000,000, to 2,109,000,000, in Japan from 249,000,000 to 1,250,000,000, in France from 495,000,000 to 1,083,000,000, in Italy from 250,000,000 to 402,000,-

000. The sums proposed for new constructions in the year 1921-22, are 450,000,000 in the United States of America, 475,000,000 for Great Britain, 281,000,000 for Japan, 185,000,000 for France, and 61,000,000 for Italy.

The United States of America and Great Britain are countries of great resources: they can stand the strain. But Japan, which has but limited resources, can she support these for any length of time or must we assume that she has some immediate designs in prospect?

The limitation of naval armaments has been agreed upon and accepted as a matter of necessity. A comparative table of the navies in 1914 and 1921 shows that the fleets of the conquering countries are very much more powerful than they were before the war. Nevertheless, Russia, and Austria-Hungary and the states created in their territories are not naval powers: Germany has lost all her fleet. The race for naval armaments concerns especially the two Anglo-Saxon powers and Japan: the race for land armaments concerns all the conquerors of Europe and especially the small states.

This situation can not fail to cause anxiety; but the greatest anxiety arises from the fact that the minor states, especially those which took no part in the war, are daily becoming more exacting and putting forth new aspirations.

The whole system of the Treaty of Versailles is of a piece with the mistake made in the case of Poland. Poland was not created as the noble mani-

festation of the rights of nationality; Poland is not a racial unit. It is a great state which in its present form can not long survive, since not only does it contain large admixtures of foreign elements, but its entire population lacks the elements of cohesion. Poland, already afflicted by too large an Israelitic element, can not possibly assimilate the Germans, the Russians, and the Ukrainians which the Treaty of Versailles has unjustly given to her contrary to the explicit declarations of Wilson.

Poland, to be sure, did, with the aid of the Entente, repel the Bolshevik invasion but she is now in a state of permanent anarchy: she consumes and does not produce; her expenses have risen to fantastic proportions, and she has been unable to control her income. No country in the world has ever made more abuse of paper currency: her paper money has probably depreciated more than that of any country on earth. She has not succeeded in organizing her own production and seeks to vitiate the production of her neighbors.

The whole Treaty of Versailles is based on a vigorous and vital Poland. A harmless Germany, unable to unite with an equally harmless German-Austria, should be under the military control of France and Belgium on the west, and of Poland on the east. Poland, separating Germany from Russia, besides imposing on Germany the territorial outrage of the Danzig corridor, cuts Germany off from any possibility of expansion and development in the East. Poland has been conceived as a great

state. A Polish nation was not constituted; a Polish military state was constituted, whose principal function is to be that of irritating, humiliating and disorganizing Germany.

Poland, the result of a miracle of the war, (no one could foretell the simultaneous fall of the central empires and of the Russian Empire) was formed not as the result of a tenacious endeavor, but is a fortunate accident, a just reward to a long suffering people. The boundaries of Poland at one time extended to the Baltic Sea on the north, the Carpathians and the Dniester in the south; in the east her territory stretched on to Smolensk, and in the west to parts of Germany, Brandenburg and Pomerania. The new patriots dream of an immense Poland, the Old Poland of tradition, and furthermore they hope to descend into the countries of the Ukraine and to dominate new territories.

It is easy to foresee that, sooner or later, when the Bolshevik excesses have been ended, Russia will reconstruct herself. Germany in spite of all the attempts to break her up and crush her unity, within thirty or forty years will be the most formidable ethnical group of Continental Europe. What will then happen to a Poland which pretends to divide two peoples who represent numerically and will represent in other fields also the greatest forces of the Continental Europe of to-morrow?

Among many in France there is the old conception of Napoleon I who considered the whole of European politics from an erroneous point of view,

that of a lasting French hegemony in Europe, when the lasting hegemony of peoples is no longer possible. In the sad solitude of his exile at Saint Helena, Napoleon I said that not to have created a powerful Poland as a keystone of the European edifice, not to have destroyed Prussia, and to have been mistaken in regard to Russia, were the three great errors of his life. But all his work had as an end to put the life of Europe under the control of France, and was necessarily wrecked by reality, which does not permit the lasting mistake of a single nation which places herself above all the others in a free and progressive Europe.

If the policy of the Entente toward Germany and toward the conquered countries, does not correspond either to joint declarations made during the war, or to the promises solemnly made by Wilson, the policy toward Russia has been nothing but a series of mistakes. In fact one can not talk of a policy of the Entente, since with the exception of a few errors committed in common, Great Britain, France and Italy have each followed their own policy.

In his sixth point of the famous fourteen, which have now been besmirched and bedraggled like outraged captive women, Wilson said on January 8, 1918, that the treatment meted out to Russia by the sister nations, and therefore their loyalty in assisting her to settle herself, should be the stern proof of their good will. They were to show that they did not confound their own interests, or rather their

selfish desires, with what should be done for Russia. The proof was most unfortunate.

The attitude of the Entente toward Russia has had different phases.

In the first phase, the prevailing idea, especially on the part of one of the Allies, was to send military expeditions in conjunction especially with Rumania and Poland. This idea was immediately abandoned on account of its very absurdity.

In the second phase, the greatest hopes were placed in the blockade: of completely isolating Russia, and depriving her of every possibility of trade, even though she no longer had any. At the same time war on the part of Poland and Rumania was encouraged, to help the attempt which the men of the old régime were making in the interior. France alone reached the point of officially recognizing the czarist undertaking of General Wrangel.

Lloyd George, with the exception of some initial doubts, always had the clearest ideas in regard to Russia, and I never found myself in disagreement with him in judging the men and the Russian situation. The situation, furthermore, could be readily understood by any calm and open-minded intelligence.

For my part I always tried to follow that policy which would best bring about the most useful result with the least damage. After the war the working masses in Europe had the greatest illusions about Russian communism and the Bolshevik organization. Every military expedition against Rus-

sia tended to give the people the feeling not that war was being waged upon the enemy, but that an attempt to reorganize society on a communistic basis was being suppressed by violence and force. I have always thought that the dictatorship of the proletariat, that is, the dictatorship of ignorance and incapacity, would necessarily lead to disaster, and that hunger and death would follow violence. There are in the popular mind serious errors whose falsity must be demonstrated in practise before civilization can profit thereby. Our propaganda would have served nothing without the reality of ruin. Only the death by hunger of millions of men in communist Russia will convince the working masses in Europe and America that the experiment of Russia is not to be followed and rather is to be avoided at any cost. To suppress in blood after an unjust war the communist attempt, even if it were possible, would have meant ruin for Western civilization.

On repeated occasions I have advised Rumania and Poland not to make any attempt against Russia and to limit themselves to defense. Every unjust aggression on the part of Bolshevik Russia would have found the Entente disposed to further sacrifice to save two free nations, but any provocation on their part would merely have weakened the general solidarity.

When I assumed the direction of the government in June, 1919, an Italian military expedition was under orders for Georgia. The English troops, who

were in small numbers, were withdrawing; Italy had, with the consent of the Allies, and partly by her own desire, prepared a big military expedition. A considerable number of divisions were ready, as also were the ships, to commence the transport. Georgia is a country of extraordinary natural resources, and it was thought that she would be able to furnish Italy with a great number of raw materials which she lacked. What surprised me was that not only men of the government, but intelligent financiers and men of very advanced ideas, were convinced supporters of this expedition.

However, confronted by much opposition, I immediately renounced this undertaking, and renounced it in a definite form, limiting myself to encouraging every commercial enterprise.

Certainly the Allies could not suggest anything unfriendly to Italy; but the effect of the expedition was to put Italy directly at variance with the government of Moscow, to launch her upon an adventure of which it was impossible to foresee the consequences.

In fact, not long afterward Georgia fell into the hands of the Bolsheviks, who sent there an army of 125,000 men, and since then she has not been able to rid herself of them. If Italy had made that expedition, she would have been engaged in a frightful military adventure, with most difficult and costly transport in a theater of war of insuperable difficulty. To what end?

Georgia before the war formed part of the Rus-

sian Empire, and no country of the Entente had considered that unjust. Further, as though the vast empire and the dominion of the Caucasus were not enough for Russia, the Entente with monstrous condescension had given to Russia Constantinople and the Straits and a huge zone in Asia Minor. How could you take away from Russia a territory that was legitimately hers? And *vice versa,* if Georgia and the other states of the Caucasus had sufficient strength to live autonomously, how can you dominate Aryan people who have risen to a notable state of development?

To go to Georgia inevitably meant war with Russia for Italy, and one, moreover, fraught with extraordinary difficulties of transport in men and materials. In fact, later, the Government of Moscow, as we have said, succeeded in invading not only Georgia but nearly all the republics of the Caucasus. And at San Remo, discussing the possibility of an expedition on the part of Great Britain, France and Italy to defend at least the oil production, after the report of a military committee presided over by Marshal Foch, the conclusion was quickly and easily arrived at that it was better to leave the matter alone.

Italy had already made an expedition into Albania, the reason for which beyond the military necessities for the period of the war has never been understood, except that of spending a huge sum without receiving the gratitude of the Albanians; an expedition in Georgia would have done harm, the

consequence of which can not be readily measured; it might, indeed, have meant ruin.

Even those minds that are most blinded by prejudice and hate recognize the complete failure of the Russian communist system. The so-called dictatorship of the proletariat is reduced in practise to a military dictatorship of a communist group which represents only a fraction of the working classes and that not the best. The Bolshevik Government is in the hands of a small minority in which fanaticism has taken the place of character. Everything that represented the work of the past has been destroyed and they have not known how to construct anything. The great industries have fallen and production is paralyzed. Russia has lived for a long time on the residues of her capitalistic production rather than on new production. The productivity of her agricultural and industrial work has been killed by communism, and the effectiveness of labor has been reduced to a minimum. The Russian people are living in unparalleled misery, and entire sections are dying of hunger. The communist régime in a short time has precipitated such damage and such misery as no system of oppression could achieve in centuries. It is the proof, if any were necessary, that the form of communist production is not only harmful but not even lasting. The economists say that it is absurd, but, given the collective madness which has attacked some people, nothing is absurd except to hope for the rapid recovery of nations which have gone so far astray.

If any country could be the scene of a communist experiment it was Russia. Imperial Russia represented the most extensive contiguous territory that a state ever occupied in all history's records of vast empires. Under the czars a territory that was almost three times the size of the United States of America was occupied by a people who, with the exception of a few cases of individual revolt, were accustomed to the most servile obedience. Under Nicholas II a few men exercised rule in a most despotic form over more than one hundred and eighty million individuals spread over an immense territory. All obeyed blindly. Centralization was so great, and the obedience to the central power so absolute, that no hostile demonstration was tolerated for long. The communist régime therefore was able to count not only on the apathy of the Russian people but also on the blindest obedience. To this fundamental condition of success, to a government that must regulate production despotically, was joined another even greater condition of success. Russia is one of those countries which, like the United States of America, China and Brazil (the four greatest countries of the earth, not counting the English dominions with much thinner populations), possess within their own territories everything necessary for life. Imagine a country of self-contained economy, that lives entirely upon her own resources and trades with no one (and that is what happened in Russia as a result of the blockade). Russia has the possibility of realizing within her-

self the most prosperous conditions of existence. She has in her territories everything: grain, textile fibers, combustibles of every sort; Russia is one of the greatest reserves, if not the greatest reserve, in the world. Well, the communist organization with its bureaucratic centralization, which communism must necessarily carry with it, was sufficient to arrest every form of production. Russia, which before could give grain to all, is dying of hunger; Russia, which had sufficient quantities of coal for herself and could give petroleum to all Europe, can no longer move her railways; Russia, which had wool, flax, linen, and could have easily increased her cotton cultivation in the Caucasus, can not even clothe the soldiers and functionaries of the Bolshevik State. The stimulus to individual effort has died; few work; the peasants work only to produce what their families need; the workers in the city are chiefly engaged in meetings and political reunions. All wish to live upon the state; and production, organized autocratically and bureaucratically, every day dries up and withers a bit more.

To those who read the collection of laws issued by the Bolshevik Government, many institutions appear not only reasonable, but also full of interest and justice. Also many laws of the absolute governments of past régimes appear intelligent and noble. But the law has not in itself any power of creation; it regulates relations, does not create them. It can even take away wealth from some and give it to others, but can not create the wealth.

When the individual interest begins to lack, labor, which is pain and suffering, lags and does not produce. To begin with, it weakens in the short days when energy is avoided, and then it stops through incapacity for energy. The old fundamental truth is that in all the Aryan tongues the words which indicate work have the same root as the words which denote pain. Among the great mass of mankind work is only done by necessity or under the stimulus of individual interest which goads men on to production of wealth. Men toil for riches; and therefore in the Aryan tongues wealth means dominion and power.

Two years ago I wanted, in spite of the opinion of others, to consent to the Italian Socialists visiting Russia. I was convinced that nothing would have served better to break in Italy the sympathy for Russia, or rather the illusions of the revolutionaries, than the sight of famine and disorder. Never did the Press of my country, or the greater part of it, criticize with more violence a proposal which I considered to be both wise and prudent. I am glad to state that I was right, and that, maybe through the uncertainties and the lessons of those who had spread the illusions, the Italian Socialists returned from Russia were bound to recognize that the communist experiment was the complete ruin of the Russia people. No conservative propaganda could have been more efficacious than the vision of the truth.

I am convinced that the hostile attitude, and

almost persecution, on the part of the Entente rather helped the Bolshevik Government, whose claims to discredit were already so numerous that it was not necessary to nullify them by an unjust and evident persecution.

The Bolshevik Government could not be recognized: it gave no guarantees of loyalty, and too often its representatives had violated the rights of hospitality and intrigued through fanatics and excited people to extend the revolution. Revolution and government are two terms that can not co-exist. But not to recognize the government of the Soviet does not mean that the conditions of such recognition must include that the war debt shall be guaranteed, and, worse still, the pre-war debt, or that the gold resources and the metals of Russia shall be given as a guarantee of that debt. This morality, exclusively financial and plutocratic, can not be the base of international relations in a period in which humanity, after the sorrows of the war, has the annoyance of a peace which no one foresaw and of which very few in the early days understood the dangers.

Even when there was a tendency favorable to the recognition of the republic of the Soviets, I was always decidedly against it. It is impossible to recognize a state which bases all its relations on violence, and which in its relations with foreign states seeks, or has almost always sought, to carry out revolutionary propaganda. Even when, yielding to an impulse which it was not possible to avoid

—in the new Italian Chamber, after the elections of 1919 not only the Socialists, but above all the Catholic popular party and the party of the Rinnovamento, of which the ex-soldiers especially formed part, voted unanimously an order of the day for the recognition of the actual government of Russia—I did not think it right to give, and did not give, effect to that vote, impulsively generous, which would have invested Italy with the responsibility of recognizing, even if it were *de facto*, the government of the Soviet.

I have always, however, rebelled and would never give my consent to any military undertakings against Russia, not even to a participation in the undertakings of men of the old régime. It was easy to foresee that the population would not have followed them and that the undertakings were doomed to failure. However, all the attempts at military revolts and counter-revolutions were encouraged with supplies of arms and material. But in 1920 all the military undertakings, in spite of the help given, failed one after another. In February the attempt of Admiral Koltchak failed miserably, and in March that of General Judenic. So too with Denikin. All the hopes of the restoration were centered in General Wrangel. The only grand duke with any claim to military authority also sent to tell me that this was a serious attempt with probability of success. General Wrangel, in fact, reunited the scattered forces of the old régime and occupied in force a large territory. France not only recognized in the

government of Wrangel the legitimate representative of Russia, but accredited her official representatives to him. In November, 1920, even the army of Wrangel, which appeared to be of granite, was broken up. Poland, through alternating vicissitudes, has shown the power of resistance, but has shown that she has no offensive power against Russia. So all the attempts at restoration have broken down, one after another.

One of the greatest errors of the Entente has been to treat Russia on many occasions, not as a fallen friend, but as a conquered enemy. Nothing has been more deplorable than to have considered as Russia the men of the old régime, who have been treated for a long time as the representatives of an existing state when that state no longer existed.

Let us suppose that the Bolshevik Government transforms itself and gives guarantees to the civilized nations not to conduct revolutionary agitation in foreign countries, to maintain the pledges she assumes, and to respect the liberty of citizens; the United States of America, Great Britain and Italy would recognize her at once. But France has an entirely different point of view. She will not give any recognition unless the creditors of the old régime are guaranteed. This is an absolutely unjust and plutocratic point of view.

In June, 1920, the Government of Moscow sent some gold to Sweden to purchase indispensable goods. Millerand, President of the Council of Ministers and Minister of Foreign Affairs, declared

to the minister of Sweden at Paris that if his government consented to receive Russian gold it would be acting as a receiver of stolen goods. He then telegraphed to the minister of finance at Stockholm regretting that the government and public opinion in Sweden did not consider the legal claims of French creditors of the old Russian régime sufficiently binding to prevent the selling of Swedish goods for Russian gold. He added at the end that the association of creditors could utilize the news in telegram No. 355, in which the Swedish Government gave notice of the transaction and that they could make seizure of Russian gold sent to Sweden.

This telegram, better than any speech, shows the diversity of opinion.

The Bolshevik Government may be so immoral that we can not recognize it until it gives serious guarantees. But if the Government of Moscow sends a little of the gold that remains, or has remained, to buy goods, what right have we to sequestrate the gold in the interests of the creditors of the old régime?

The new régime, born after the revolution, may refuse to recognize the debts of the old régime and annul them. But this will not prevent our having relations with it.

With our absurd demands we have forced Germany to ruin her circulating medium. This already amounts to about one hundred billion of marks; if to-morrow it amounts to one hundred and fifty or to two hundred it will be necessary to annul it, very

much the same as was done in the case of the assignats. Is this a sufficient reason for not recognizing Germany?

The new plutocratic conception, which lies behind the policy of France, is not lasting, and the people distrust it.

Bolshevism, as I have repeatedly stated, can not be judged by our Western eyes: it is not a popular and revolutionary movement; it is the religious fanaticism of the orthodox Eastern mind grafted on the trunk of czarist despotism.

Italy is the country which suffers most from the lack of continuous relations with Russia in so far that almost all Italian commerce, and in consequence the prices of freight and goods have been for almost half a century regulated by the traffic with the Black Sea.

Ships that leave England fully laden with goods for Italy generally continue to the Black Sea, where they fill up with grain, petroleum, etc., and then return to England, after having taken fresh cargoes in Italy and especially iron in Spain. It was possible in Italy for long periods of time to obtain most favorable freights and have coal at almost the same price as in England. The voyages of the ships were made, both coming and going, fully laden.

The situation of Russia, therefore, hurts especially Italy. Great Britain has Mediterranean interests; France is partly a Mediterranean nation; Italy is altogether a Mediterranean nation.

Although Italy has a particular interest in reop-

ening relations with Russia, the Italian Government has understood that the best and shortest way is not to recognize the Government of Moscow. But Italy will never subordinate her recognition to plutocratic considerations. Whatever government there may be in Italy, it will never associate itself with actions directed to compelling Russia, in order to be recognized, to guarantee the payment of obligations assumed previous to the war and the revolution. Civilization has already suppressed corporal punishment for insolvent debtors; and slavery, from which individuals are released, should not be imposed on nations by democracies which say they are civilized.

The fall of the communistic organization in Russia is inevitable. Very probably from the immense revolutionary catastrophe which has hit Russia there will spring up the diffusion of a régime of small landed proprietors. Whatever is contrary to human nature is not lasting, and communism can only accumulate misery, and on its ruins will arise new forms of life which we can not yet define. But Bolshevik Russia can still rely upon two elements which we do not habitually take into account: the apathy and indolence of the people on the one hand, and the strength of the military organization on the other. No other people would have resigned itself to the intense misery and to the infinite sufferings which tens of millions of Russians endure without opposition. But still in the midst of so much misery no other people would have known how to maintain

a powerful and disciplined army such as is the army of revolutionary Russia.

The Russian people have never had any sympathy for the military undertakings which the Entente has aided. During some of the meetings of premiers at Paris and London I had occasion, in the sittings of the conferences, to speak with the representatives of the new states, especially those from the Caucasus. They were all agreed in considering that the action of the men of the old régime, and especially Denikin, was directed at the suppression of the independent states and to the return of the old forms, and they attributed to this the aversion of the Russian people to them.

Certainly it is difficult to speak of Russia where there exists no longer a free Press and the only interest of the people lies in preventing hunger from killing them. Although it is a disastrous organization, the organization of the Soviet remains still the only one, for which it is not possible immediately to substitute another. Much time and a complete change of front will be necessary before the Russian people can again slowly enter into international life.

The peasants, who form the enormous mass of the Russian people, look with terror on the old régime. They have occupied the land and intend to keep it; they do not want the return of the great Russian land-owners who possessed lands covering provinces and were even ignorant of their possessions. One of the causes that has permitted Bol-

shevism to last is, as I have said, the attitude of the Entente, which on many occasions has shown the greatest sympathy for the men of the old régime. The czar of Russia was an insignificant man, all the grand dukes were persons without dignity and without credit, and the court and government abounded in unscrupulous men — adventurers, thieves, and drunkards. If the Bolshevik Government has spelled ruin, no one can deny that a great part of the blame belongs to the old régime, the return of which no honest man desires.

To allow Poland to occupy large tracts of purely Russian territory was a no less serious error.

There are, therefore, in Europe so many causes of unrest that they are a matter of concern not only to the conquered countries but to the conquering countries as well. We have already seen how Germany and the states which form part of her group can not now any longer represent a danger of war for many years to come, and that none the less the victorious countries and new states continue to arm themselves in a most formidable manner. We have seen what an element of disorder Poland has become and how the policy of the Entente toward Russia has constituted a permanent danger.

But all Europe is still uncertain and the ground is so shifting that any new construction threatens ruin. Austria, Hungary, Bulgaria, Turkey, can not live under the conditions imposed on them by the treaties. But the new states for the most part are themselves in a sufficiently serious position.

With the exception of Finland all the other states which have arisen on the ruins of the Russian Empire are in serious difficulty. If Esthonia and Lithuania are in a fairly tolerable situation Latvia is thoroughly ruined and hunger and tuberculosis rule almost everywhere, as in many districts of Poland and Russia. At Riga hunger and disease have caused enormous losses among the population. Recently 15,000 children were in an extremely serious physical and mental condition. In a single dispensary, of 663 children who were brought for treatment 151 were under-nourished, 229 were scrofulous, 66 anemic, and 217 suffering from rickets. The data published in England and the United States and those of the Red Cross of Geneva are terrible.

Even with the greatest imagination it is difficult to think how Hungary and Austria can live and carry out, even in the smallest degree, the obligations imposed by the treaties. By a moral paradox, besides living they must indemnify the victors, according to the Treaties of St. Germain and the Trianon, for all the losses which the war has brought in its train. For it is held that the war was caused by Austria and Hungary and that the victors only suffered from it.

Hungary has undergone the greatest occupation of her territories and her wealth. This poor great country, which saved both civilization and Christianity, has been treated with a bitterness that nothing can explain except the greed of those surround-

ing her, and the fact that the weaker people, seeing the stronger overcome, wish and insist that she shall be reduced to impotence. Nothing, in fact, can justify the measures of violence and the depredations committed in Magyar territory. For a long while no one knew what the Rumanian occupation in Hungary, with its systematic plundering and its systematic destruction, amounted to. The stern rebuke which Lloyd George addressed in London to the premier of Rumania was, however, entirely justified. After the war every one wanted some sacrifice from Hungary, and no one dared to say a word of peace or good will for her. When I tried it was too late. The victors hated Hungary for her proud defense. The adherents of Socialism do not love her because she had to resist, under more than difficult conditions, internal and external Bolshevism. The international financiers hate her because of the acts of violence committed against the Jews. So Hungary suffers all the injustices without defense, all the miseries without help, and all the intrigues without resistance.

Before the war Hungary had an area almost equal to that of Italy, 282,870 square kilometers, with a population of 18,264,533 inhabitants. The Treaty of Trianon reduced her territory to 91,114 kilometers—that is, 32.3 per cent.—and the population to 7,481,954, or 41 per cent. It was not sufficient to cut off from Hungary the populations which were not ethnically Magyar. Without any reason 1,084,447 Magyars have been handed over to

Czecho-Slovakia, 457,597 to Jugo-Slavia, 1,704,851 to Rumania. Also other sections of the population have been detached without reason.

Among all the belligerents Hungary perhaps is the country which in comparison with the population has had the greatest number of dead; the monarchy of the Hapsburgs knew that they could count on the bravery of the Magyars, and they sent them to destruction in all the most bloody battles. So the little people gave over 500,000 dead and an enormous number of wounded and sick.

The territories taken from Hungary represent two-thirds of her mineral wealth; the production of three million *quintali* (300,000 tons) of gold and silver is entirely lost; the great production of salt is also lost to her (about 250,000 tons). The production of iron ore is reduced by 19 per cent., of anthracite by 14 per cent., of lignite by 70 per cent.; of the 2,029 factories, hardly 1,241 have remained to Hungary; more than three-quarters of the magnificent railway wealth has been given away.

Hungary at the same time has lost her greater resources in agriculture and cattle breeding.

The capital, henceforth, too large for a too small state, carries on amid the greatest difficulties, and there congregate the most pitiable of the Transylvanian refugees and those from other lost regions.

The vital statistics of Hungary, which up to a few years ago were excellent, are now alarming. The mortality among the children and the mortality from tuberculosis have become alarming. At Buda-

pest, even after the war, the number of deaths surpasses the number of births. The statistics published by Doctor Ferenczi prove that the number of children afflicted with rickets and tuberculosis reaches in Budapest the terrific figure of two hundred and fifty thousand in a population of about two millions. It is said that practically all the new-born in recent years, partly through the privations of the mothers and partly from the lack of milk, are tubercular.

The conditions of life are so serious that there is no comparison; some prices have only risen five to tenfold, but very many from thirty to fifty and even higher. Grain, which before the war cost thirty-one crowns, costs now five hundred crowns; corn has passed from seventeen to two hundred and twenty and two hundred and fifty crowns. A kilogram of rice, which used to cost seventy centimes, can be found now only at eighty crowns. Sugar, coffee and milk are at prices that are absolutely prohibitive.

Of the financial situation it is almost useless to speak. The documents presented to the Conference of Brussels are sad evidence, and a sure index is the course of the crown, now so reduced as to have hardly any value in international relations. The total income is no more than a quarter of the total expenditure, and the rest is covered by depreciating the currency.

Such is the situation of Hungary, which has lost everything, and which suffers the most atrocious privations and the most cruel pangs of hunger. In

this condition she should, according to the Treaty of Trianon, not only have sufficient for herself, but pay indemnities to the enemy.

The Hungarian deputies, at the sitting which approved the Treaty of Trianon, were clad in mourning, and many were weeping. At the close they all rose and sang the national hymn.

A people which is in the condition of mind of the Magyar people can accept the actual state of affairs as a temporary necessity, but have we any faith that it will not seek all occasions to retake what it has unjustly lost, and that in a certain number of years there will not be new and more terrible wars?

I can not hide the profound emotion which I felt when Count Apponyi, on January 16, 1920, before the Supreme Council at Paris, wished to state the case of Hungary.

> You, gentlemen [he said], whom victory has permitted to place yourselves in the position of judges, you have pronounced your former enemies guilty and the point of view which directs you in your resolutions is that of making the consequences of the war fall on those who were responsible for it.
>
> Let us examine now with great serenity the conditions imposed on Hungary, conditions which are inacceptable without the most serious consequences. Taking away from Hungary the larger part of her territory, the greater part of her population, the greater portion of her economic resources, can this particular severity be justified by the general principles which inspire the Entente? Hungary not having been heard (and she was not heard

except to take note of the declaration of the head of the delegation), can not accept a verdict which destroys her without her understanding the reasons for it.

The figures furnished by the Hungarian delegation left no doubt behind: they treated of the dismemberment of Hungary and the sacrifice of three millions and a half of Magyars and of the German population of Hungary to people certainly more ignorant and less advanced. At the end Apponyi and the Hungarian delegation did not ask for anything more than a plebiscite for the territories in dispute.

After he had explained in a marvelous manner the great function of historic Hungary, that of having saved on various occasions Europe from barbaric invasion, and of having known how to maintain its unity for ten centuries in spite of the many differences among nations, Count Apponyi showed how important it was for Europe to have a solid Hungary against the spread of Bolshevism and violence. He added:

You can say that against all these reasons there is only one—victory, the right of victory. We know it, gentlemen; we are sufficient realists in politics to count on this factor. We know what we owe to victory and we are ready to pay the price of our defeat. But should this be the sole principle of construction: that force alone should be the basis of what you would build, that force alone should be the base of the new building, that material force alone should be the power to hold up those constructions

which fall while you are trying to build them? The future of Europe would then be sad, and we can not believe it. We do not find all that in the mentality of the victorious nations; we do not find it in the declarations in which you have defined the principles for which you have fought, and the objects of the war which you have proposed to yourselves.

And after having referred to the traditions of the past, Count Apponyi added:

We have faith in the sincerity of the principles which you have proclaimed: it would be doing you injustice to think otherwise. We have faith in the moral forces with which you have wished to identify your cause. And all that I wish to hope, gentlemen, is that the glory of your arms may be surpassed by the glory of the peace which you will give to the world.

The Hungarian delegation was simply heard; but the treaty, which had been previously prepared and was the natural consequence of the Treaty of Versailles, was in no way modified.

An examination of the Treaty of Trianon is superfluous. By a stroke of irony the financial and economic clauses inflict the most serious burdens on a country which had lost almost everything: which has lost the greatest number of men proportionately in the war, which since the war has had two revolutions, which for four months suffered the sackings of Bolshevism—led by Bela Kun and the worst elements of revolutionary political crime—and, finally,

has suffered a Rumanian occupation, which was worse almost than the revolutions or Bolshevism.

It is impossible to say which of the peace treaties imposed on the conquered is lasting and which is the least endurable: after the Treaty of Versailles, all the treaties have had the same tendency and the same conformation.

The situation of German-Austria is now such that she can say with Andromache: "Let it please God that I have still something more to fear!" Austria has lost everything, and her great capital, which was the most joyous in Europe, shelters now a population whose resources are reduced to the minimum. The slump in her production, which is carried on amid all the difficulties, the fall in her credit, the absolute lack of foreign exchanges, the difficulty of trading with the hostile populations that surround her, put Austria in an extremely difficult position and in increasing and continuous decadence. The population, especially in the cities, is forced to endure the hardest privations; the increase of tuberculosis is continuous and threatening.

Bulgaria has had rather less loss, and although large tracts of Bulgarian territory have been given without any justifiable motive to Greece and Jugo-Slavia, and although all outlet on the Ægean has been taken from her by assigning the Greece lands which she can not maintain, on the whole Bulgaria, after the Treaty of Neuilly, has less serious grievances than the other conquered countries. Bulgaria

had a territorial extension of 113,809 square kilometers; she has now lost about 9,000 square kilometers. She had a population of 4,800,000, and has lost about 400,000.

The necessity of an outlet to the sea, in the confused ideology of President Wilson, has been the cause of most grievous errors. To give Poland a port, there was created the absurd Free State of Danzig and the Polish corridor in the territory of Danzig. To create a port for Armenia it was for a time thought necessary to constitute an enormous Armenia with no principle of vital cohesion and to do this it would have been necessary to herd the Turks into a limited area of Asia Minor. It would seem as if, for the Entente, the need of seacoast applied only to the victors and to friendly countries. Austria and Hungary, it seems, have no need of access to the sea; and Bulgaria was deprived of her outlet thereon even though it was necessary to violate the rights of nationality to hamstring her in this fashion.

As for Turkey, if the treaties should continue to exist, she can be considered as disappearing from Europe and on the road to disappearance from Asia. The Turkish population has been distributed haphazard, especially to Greece, or divided up under the form of mandates to countries of the Entente. According to the Treaty of Sèvres of August 10, 1920, Turkey abandons all her territory in Europe, withdrawing her frontier to the Tchataldje lines.

Turkey in Europe is limited, therefore, to the

surroundings of Constantinople, with little more than two thousand square kilometers, and a population which is rather hard to estimate, but which is that only of the city and the surroundings—perhaps 1,300,000 men. In Asia Minor, Turkey loses the territory of the Sanjak of Smyrna, over which, however, she retains a purely nominal sovereignty; the territory still undefined of the Armenian Republic: Syria, Cilicia, Palestine and Mesopotamia, which become independent under mandatory powers; in Arabia the territory of the Hedjaz, while the remainder of the peninsula will enjoy almost complete independence. Besides, Constantinople and the Straits are subject to international control, and the three states now the most closely interested —Great Britain, France and Italy—assume the control of the finances and other aspects of the Ottoman administration.

Every program has ignored Turkey except when the Entente has had opportunity to favor Greece. The Greece of Venezelos was the ward of the Entente almost more than Poland itself. Having participated in the war to a very small extent and with almost insignificant losses, she has, after the war, almost trebled her territory and almost doubled her population. Turkey was virtually ejected from Europe; Greece has taken almost everything. The idea of fixing the frontier on the Enos Medea line was also rejected, and the frontier was fixed at Tchataldje; Constantinople was under the fire of the Greek artillery, and Constantinople was nominally the only

city that remained to Turkey. The Sanjak of Smyrna, in Asia Minor, was the true wealth of Turkey; it represented forty-five per cent. of the imports of the Turkish Empire. Although the population of the whole vilayet of Audin and the majority of the Sanjak of Smyrna was Mussulman, Greece was given dominion over it. The whole of Thrace was assigned to Greece; Adrianople, a city sacred to Islam, which contains the tombs of the Caliphs, has passed to the Greeks.

Nothing could be more absurd than the treatment of Turkey. There is no justification for placing Constantinople under perpetual control, for handing Smyrna and Thrace over to Greece, for abolishing the Turkish sovereignty over Mecca and Medina or for ruining and subjecting sections of the Turkish Empire. In all the international conferences I have attempted, as far as I was able, to oppose, or at least to check, the raids upon Turkey. But the fundamental errors of the Treaty of Versailles were here to beget some of their most absurd and harmful consequences.

The Entente, despite the resistance of some of the heads of governments, always yielded to the requests of Greece. There was a sentiment of antipathy for the Turks and there was a sympathy for the Greeks: there was the idea to put outside Europe all Mussulman dominion, and the remembrance of the old propaganda of Gladstone, and there were the threats of Wilson, who in one of his proposals desired nothing less than to put Turkey

outside Europe. But above all there was the personal work of Venezelos. Every request, without being even examined thoroughly, was immediately justified by history, statistics, ethnography. In any discussion he took care to manipulate the documents, *solliciter doucement les textes,* as is often done by unscrupulous scholars. I have met few men in my career who were at once as uncompromisingly patriotic and as profoundly able as Venezelos. Whenever in friendly spirit I advised him to use moderation and showed him the necessity of limiting the Greek demands I never found in him a difficult or unyielding spirit. He knew how to ask and obtain, to profit by all the circumstances, to utilize all the resources better even than the professional diplomats. In asking he always had the air of offering, and in obtaining, he appeared to be conceding something. He had at the same time a supreme ability to obtain the maximum force with the minimum of means and a mobility of spirit truly surprising. He saw no difficulty, convinced as he was, of erecting a Greek Empire on the remnants of Turkey. Every time that doubts were expressed to him, or he was shown data which should have moderated the positions, he denied the most evident things, he recognized no danger, and saw no difficulty. He affirmed always with absolute calm the certainty of success. It was his opinion that the Balkan peninsula should be, in the north, under the action of the Jugo-Slav State and of Rumania, and in the south of Greece. But Greece, having almost

all the islands of the Ægean, a part of the territory of Turkey and all the ports in the Ægean, from which the Bulgarians had been expelled, and having the Sanjak of Smyrna, should form a littoral Empire of the East and chase the Turks into the poorer districts of Anatolia.

In the facility with which the demands of Greece were accepted (and in spite of everything they were accepted even after the fall of Venezelos) there was not only a sympathy for Greece, but, above all, the certainty that a large Greek army at Smyrna would serve principally to make secure those countries which have and wished to consolidate great interests in Asia Minor. As long as the Turks in Anatolia had their eyes upon Smyrna they could not use their forces elsewhere. For the same motive, in the last few years, all the blame is attributed to the Turks. If they have erred much, the errors, even the minor ones, have been transformed into crimes. The atrocities of the Turks have been described, illustrated, exaggerated; all the other atrocities, often no less serious, have been forgotten or ignored.

The idea of a Hellenic Empire which dominates all the coast of the Ægean in Europe and Asia encounters one fundamental difficulty. To dominate the coast it is necessary to have the control of a large hinterland. The Romans, in order to dominate Dalmatia, were obliged to go as far as the Danube. Alexander the Great, to have a Greek Empire, had, above all, to provide for land dominion. Commercial colonies or penetration in isolation are certainly

possible, but vast political organizations are not possible. It is not sufficient to have territory; it is necessary to organize it and regulate its life. Men do not live on what they eat, and even less on what they digest, but on what they assimilate.

Historians of the future will be profoundly surprised to learn that in the name of the principle of nationality the vilayet of Adrianople, which contains the city dearest to the heart of Islam after Mecca, was given to the Greeks. According to the very data supplied by Venezelos there were 500,000 Turks, 365,000 Greeks, and 107,000 Bulgarians; in truth the Turks are in much greater superiority.

The grand vizier of Turkey, in April, 1920, presented a note to the ambassadors of the Entente to claim the rights on certain vilayets of the Turkish Empire. According to this note, in Western Thrace there were 522,574 inhabitants, of which 362,445 were Mussulmans. In the vilayet of Adrianople, out of 631,000 inhabitants, 360,417 were Mussulmans. The population of the vilayet of Smyrna is 1,819,616 inhabitants, of which 1,437,983 are Mussulmans. Perhaps these statistics are biased, but the statistics presented by the opposing party were even more fantastic.

After having had so many territorial concessions, Greece—who during the war had enriched herself by commerce—is obliged, even after the return of Constantine, who did not know how to resist the pressure, to undertake most risky undertakings in Asia Minor, and has no way of saving herself except

by an agreement with Turkey. In the illusion of conquering the Turkish resistance, she is now obliged to maintain an army twice as big as that of the British Empire! The dreams of greatness increase: some little military success has given Greece the idea also that the Treaty of Sèvres is only a foundation regulating the relationship with the Allies and with the enemy, and constituting for Greece a title of rights, the full possession of which can not be modified. The war determines new rights that can not invalidate concessions already given, which, on the contrary, are reinforced and become sanctioned, but render necessary new concessions.

What will happen? While Greece dreams of Constantinople and we have disposed of Constantinople and the Straits, Turkey seems resigned to Constantinople itself, to-day a very poor international city rather than a Turkish city. The Treaty of Sèvres says that it is true that the contracting states are in agreement in not offending any of the rights of the Ottoman Government of Constantinople, which remains the capital of the Turkish Empire, always under the reservations of the conditions of the treaty. That is equivalent to saying of a political régime that it is a controlled "liberty," just as in the time of the czars it was said that there existed a *Monarchie constitutionnelle sous un autocrate.* Constantinople under the Treaty of Sèvres is the free capital of the Turkish Empire under the conditions contained in the treaty whose avowed purpose is to limit all liberty.

It is not true that all the wrongs of the past have been entirely on the side of Turkey. We ought not to forget all that the great European states have done to disgrace, break up and control Turkey. Nor is it true that the Turks are not adapted to a liberal régime, nor that they have all the faults that have been attributed to them. The Turkish population is fundamentally good, tolerant, and capable of progressing and of developing a very real civilization. It is a serious mistake to attempt to humiliate the Turks and to strangle Turkey.

The force of Turkey has always been in her immense power of resistance. She wins by resisting, she wears down her enemies with the aid of time. To conquer the resistance of Turkey, both in the new territories of Europe and in Asia Minor, Greece will have to exhaust the greater part of her limited resources. The Turks have always brought to a standstill those who would dominate them, by a stubborn resistance which is fanaticism and national dignity. On the other hand, the Treaty of Sèvres, which has systematized in part Eastern Europe, was concluded in the absence of two personages not to be overlooked, Russia and Germany, the two states which have the greatest interest there. Germany, once she had been defeated, as she could not give her explanations on the conclusions of peace, was not able to intervene in the solutions of the question of the Orient. Russia was absent. Worn out with the force of a war superior to her energies, she fell into convulsions, and is now struggling between the two

misfortunes of communism and misery, of which it is hard to say whether one, or which of the two, is the consequence of the other.

One of the most characteristic facts concerns Armenia. The Entente never spoke of Armenia. In his fourteen points Wilson neither considered nor mentioned it. It was an argument difficult for the Entente since Russia was straining in reality (under the pretext of defending the Christians) to take Turkish Armenia without giving up Russian Armenia.

But suddenly some religious societies and some philanthropic people instituted a vast movement for the liberation of Armenia. Nothing could be more just than to create a small Armenian State which would have allowed the Armenians to group themselves around Lake Van and to affirm their national unity in one free state. But here also the hatred of the Turks, the agitation of the Greeks, the dimly illuminated philanthropy, determined a large movement to form a great State of Armenia which should have outlets on the sea and great territories.

Thus people no longer talked of a small state, a refuge and safe asylum for the Armenians, but of a large state. President Wilson himself, during the Conference of San Remo, sent a message in the form of a reminder, if not a reproof, to the European States of the Entente because they did not proceed to the constitution of a State of Armenia. It was suggested to bring it down to Trebizond, to include Erzeroum in the new Armenia, a vast State of Ar-

menia in which the Armenians would have been in the minority. And all that in homage to historical tradition and for dislike of the Turks! A great Armenia creates also a series of difficulties among which is that of the relations between Armenia, Georgia and Azerbajan, supposing that in the future these states cut themselves off definitely from Russia. The Greater Armenia would include the vilayet of Erzeroum, which is now the center of Turkish nationalism, and contains more Mussulmans than Armenians. As a matter of fact the vilayet of Erzeroum has 673,000 Mussulmans, 4,800 Greeks and 135,000 Armenians.

When it was a question of giving Greece territories in which the Greeks were in a minority it was said that the populations were so badly governed by the Turks that they had the right to pass under a better régime, whatever it might be. But for a large part of the territory of the so-called Greater Armenia it is possible to commit the error of putting large majorities of Mussulman people under a hostile Armenian minority.

The Armenians would have to fight at the same time against the Kurds and against Azerbajan; they are surrounded by enemies on all sides.

But the whole of the discussion of giving the vilayet of Erzeroum to Armenia or leaving it to Turkey is entirely superfluous, for it is not a question of attributing territory but of determining actual situations. If it is desired to give to the Armenians the city of Erzeroum, it is first of all neces-

sary that they shall be able to enter and be able to remain there. Now since the Armenians have not shown, with a few exceptions, a great power of resistance, and are rather a race of merchants than soldiers, it would be necessary for others to undertake the charge of defending them. None of the European States desired a mandate for Armenia, and no one wished to assume the serious military burden of protecting the Armenians; the United States, after having in the message of Wilson backed a Greater Armenia, wished even less than the other states to interest themselves in it.

Probably proposals of a more reasonable character and marked by less aversion for the Turks would have permitted the Turks not only to recognize, which is not difficult for them, but in fact to respect, the new State of Armenia, without the dreams of a seacoast and the madness of Erzeroum.

If the condition of the conquered is sufficiently serious, the situation of the peoples most favored by the Entente in Europe, Poland and Greece, is certainly not less so. They have obtained the greatest and most unjust accessions in territory and for various reasons have rendered very little service during the war. Each of these countries is suffocating under the weight of the concessions, and seeks in vain a way of salvation from the burdens which it is not able to support, and from the mania of conquest which is the fruit of exaltation and error.

Having obtained much, having obtained far more than they thought or hoped, they believe that their

advantage lies in new expansion. Poland violates treaties, offends laws of international usage, and is protected in everything she undertakes. But every one of her undertakings can only throw her into greater discomfort and augment the total of ruin.

All the violences in Upper Silesia to prevent the plebiscite going in favor of Germany were not only tolerated but prepared far ahead.

When I was head of the Italian Government the representative of the German Government in Rome, Von Herf, gave documentary evidence on what was being prepared, and on April 30, 1920, in an audience which I gave him as head of the council he furnished me with proofs of what the Polish organization was, what were its objects and the source of its funds.

As every one knows, the plebiscite of March 20, 1921, in spite of the violence and notwithstanding the officially protected brigandage, resulted favorably to Germany. Out of 1,200,636 voters 717,122 were for Germany and 483,514 for Poland. The 664 richest, most prosperous and most populous communes gave a majority for the Germans, 597 communes gave a majority for Poland. The territory of Upper Silesia, according to the treaty, according to the plebiscite, according to the most elementary international honesty, should be immediately handed over to Germany. But as they do not wish to give the coal of Upper Silesia to Germany, and the big interests of the new great metallurgical group urge and intrigue, the Treaty of Versailles has here also become a scrap of paper.

Instead of accepting, as was the first duty, the result of the plebiscite, people have resorted to sophism of incomparable weakness: Article 88 of the Treaty of Versailles says only that the inhabitants of Upper Silesia shall be called to designate by means of a plebiscite if they desire to be united to Germany or to Poland.

It was necessary to find a sophism!

The Addendum of Section 8 establishes how the operation of the vote shall be carried out and all the procedure of the elections. There are six articles of procedure. Paragraph 4 says that each one shall vote in the commune where he is domiciled or in that where he was born if he has not a domicile in the territory. The result of the vote shall be determined commune by commune, according to the majority of votes in each commune.

This means then that the results of the voting, as is done in political questions in all countries, should be controlled commune by commune: it is the form of the vote which the appendix defines. Instead, in order to take the coal away from Germany, it was attempted, and is being still attempted, not to apply the treaty, but to violate the principle of the indivisibility of the territory and to give the mining districts to Poland.

The plebiscite was not applied and because of the difference in opinion between France and Great Britain and because Italy's policy was uncertain it was thought best to consult the Council of the League of Nations. Why this should have been

done after the plebiscite it is difficult to understand. The League of Nations has handed down a decision which is not only lacking in straightforwardness but which also reflects upon its moral seriousness.

The violation of the neutrality of Belgium was not an offense to a treaty more serious than this attempt; the Treaty of 1839 can not be considered a scrap of paper any more than the Treaty of Versailles. Only the rôles of the parties are inverted.

It is not France, noble and democratic, which inspires these movements, but a plutocratic situation which has taken the same positions, but on worse grounds, than the German metallurgists before the war. It is the same current against which Lloyd George has several times bitterly protested and for which he has had very bitter words which it is not necessary to recall. It is the same movement which has created agitations in Italy by means of its organs, and which attempts one thing only: to ruin the German industry and, having the control of the coal, to monopolize in Europe the iron industries and those that are derived from it.

First of all, in order to indemnify France for the *temporary* damages done to the mines in the north, there was the cession *in perpetuo* of the mines of the Saar; then there were the repeated attempts to occupy the territory of the Ruhr to control the coal; last of all there is the wish not to apply the plebiscite and to violate the Treaty of Versailles by not giving Upper Silesia to Germany, but giving it unjustly to Poland.

Germany produced before the war about 190,000,000 tons of coal; in 1913, 191,500,000. The consumption of these mines themselves was about a tenth, 19,000,000 tons, while for exportation there were 33,500,000 tons, and for internal consumption there were 139,000,000.

Now Germany has lost, and justly, Alsace-Lorraine, 3,800,000 tons. She has lost, and it was not just, the Saar, 13,200,000 tons. She is bound by the obligations of the treaty to furnish France with 20,000,000 tons, and to Belgium and Italy and France again another 25,000,000 tons. If she loses the excellent coal of Upper Silesia, about 43,800,000 tons per year, she will be completely paralyzed.

It is needless to lose time in demonstrating for what geographic, ethnographic and economic reason Upper Silesia should be united with Germany. It is a useless procedure, and also, after the plebiscites, an insult to the reasoning powers. If the violation of treaties is not a right of the victor, after the plebiscite, in which, notwithstanding all the violences, three-quarters of the population voted for Germany, then there is no reason for discussion.

The words used by Lloyd George on May 13, 1921, in the House of Commons, are a courteous attenuation of the truth. From the historical point of view, he said, Poland has no rights over Silesia. The only reason for which Poland could claim Upper Silesia is that it possesses a numerous Polish population, arrived there in comparatively recent times with the intention of finding work, and especially in the

mines. That is true and is more serious than would be an agitation of the Italians in the State of San Paulo of Brazil, claiming that they had a majority of the population.

"The Polish insurrection," said Lloyd George justly, "is a challenge to the Treaty of Versailles, which, at the same time, constitutes the charter of Polish Liberty." Poland is the last country in Europe which has the right to deplore the treaty, because Poland did not achieve the treaty. Poland did not gain her liberty, and more than any other country should respect every comma of the treaty. She owes her liberty to Italy, Great Britain and France.

In the future [said the English prime minister] force will lose its efficiency in regard to the Treaty of Versailles, and the maintenance of the undertakings on the part of Germany on the basis of her signature placed to the treaty will count increasingly. We have the right to everything which she gives us: but it is also our duty not to touch anything that it left to her. It is our duty to act with rigorous and impartial justice, without taking into account the advantages or the disadvantages which may accrue therefrom. Either the Allies must demand that the treaty shall be respected, or they should permit the Germans to make the Poles respect it. It is all very well to disarm Germany, but to desire that even the troops which she does possess should not participate in the reestablishment of order is a pure injustice.

Russia to-day is a fallen Power, tired, a prey to a despotism which leaves no hope, but is also a country of great

natural resources, inhabited by a people of courage, who at the beginning of the war gave proof of its courage. Russia will not always find herself in the position in which she is to-day. Who can say what she will become? In a short time she may become a powerful country, which can say its word about the future of Europe and the world. To which part will she turn? With whom will she unite?

There is nothing more just or more true than this.

But Poland wants to take away Upper Silesia from Germany notwithstanding the plebiscite and against the treaty, and which has in this action the aid of the metallurgical interests and the great interests of a large portion of the Press of all Europe. Poland, which has large groups of German population, after having been enslaved, claims the right to enslave populations which are more cultured, richer and more advanced. And besides the Germans it claims the right to enslave even Russian peoples and further to occupy entire Russian territories, and wishes to extend into Ukraine. There is then the political paradox of Vilna. This city, which belongs according to the regular treaty to Lithuania, has been occupied in an arbitrary manner by the Poles, who also claim Kovna.

In short, Poland, which obtained her unity by a miracle, is working in the most feverish manner to create her own ruin. She has no finance, she has no administration, she has no credit. She does not work, and yet consumes; she occupies new terri-

tories, and ruins the old ones. Of the 31,000,000 inhabitants, as we have seen 7,000,000 are Ukranians, 2.2 Russians, 2.1 Germans, and nearly half a million of other nationalities. But among the eighteen or nineteen million Poles there are at least four million Jews—Polish Jews, without doubt, but the greater portion do not love Poland, which has not known how to assimilate them. The Treaty of Versailles has created the absurd position that to go from one part to the other of Germany it is necessary to traverse the Danzig corridor. In other terms, Germany is cut in two parts, and to move in Prussia herself from Berlin to one of the oldest German cities, the home of Immanuel Kant, Konigsberg, it is necessary to traverse Polish territory unjustly occupied.

Victory, after many sad vicissitudes and days of bitter doubt, smiled upon the Entente, especially through the intervention of the Anglo-Saxons, that is, the two great peoples outside of Continental Europe.

Suppose that the plan of Germany had been realized and that she had been victorious. Germany and Austria have no outlet on the Mediterranean. What would we have thought if victorious Austria had demanded the port of Savona and a corridor to the sea? It would not have been any more immoral to turn over to Austria a zone of Italian territory from the Upper Adige to the Sea of Liguria than it was to constitute the State of Danzig and to dismember Germany. Many honest Poles say that

Poland has no responsibility for this infamy which was committed by the Treaty of Versailles before Poland had achieved a life of its own.

But this merely aggravates the situation since it shows the spirit of violence and the profound cynicism with which certain great questions have been settled by peoples who declared they were united by the triumph of democracy and liberty.

So Poland separates the two most numerous peoples of Europe: Russia and Germany. The Biblical legend lets us suppose that the waters of the Red Sea opened to let the Chosen People pass: but immediately afterward the waters closed up again. Is it possible to suppose that such an arbitrary arrangement as this will last for long?

If it has lasted as long as it has, it is because it was, at least from the part of one section of the Entente, not the road to peace, but because it was a method of crushing Germany.

If a people had conditions for developing rapidly it was Czecho-Slovakia. But also with the intention of hurting Germany and the German peoples, a Czecho-Slovak State was created which has its own tremendous crisis of nationality. A Czecho-Slovakia with a population of eight to nine million people represented a compact ethnical unity. Instead, they have added five and a half million people of different nationalities, among whom there are about four million Germans, with cities which are as German as any in the world, as Pilsen, Karlsbad, Reichenberg, etc. What is even more serious is that the four million Germans are attached to Ger-

many, and, having a superior culture and civilization, will never resign themselves to being placed under the Czechs.

Czecho-Slovakia had mineral riches, industrial concerns and solid agriculture, and a culture spread among the people—all the conditions for rising rapidly. All these advantages risk being annulled by the grave and useless insult to the Germans and Magyars.

Not only is the situation of Europe in every way uncertain, but there is a tendency in the groups of the victors on the Continent of Europe to increase the military budgets. The relationships of trade are being restored only slowly; commerce is spoken of as an aim. In Italy the dangers and perils of reopening trade with Germany have been seriously discussed; customs duties are raised every day; the industrial groups find easy propaganda for protection. Any limitation of competition is a duty, whether it be the enemy of yesterday or the enemy of to-day, and so the greatest evils of protection are camouflaged under patriotism.

None of the countries which have come out of the war on the Continent has a financial position which helps toward a solid situation. All the financial documents of the various countries, which I have collected and studied with great care, contain enormous masses of expenses which are the consequences of the war; those of the conquering countries also contain enormous totals of expense which are or can become the cause of new wars.

The conquered countries have not actually any

finance. Germany has an increase of expenses which the fall of the mark renders more serious. In 1920 she spent not less than ninety-two billions, ruining her circulating medium. How much has she spent in 1921?

Austria and Hungary have budgets which are simply guesses. The last Austrian budget, for 1921, assigned a sum of seventy-one billions of crowns for expenses, and this for a poor country with seven million inhabitants.

A detailed examination of the financial situation of Czecho-Slovakia, of Rumania, and of the Jugo-Slav States gives results which are at the least alarming. Even Greece, which until yesterday had a solid structure, gallops now in a madness of expenditure which exceeds all her resources, and if she does not find a means to make peace with Turkey she will find her credit exhausted. The most ruinous of all is the situation of Poland, whose finance is certainly not better regulated than that of the Bolsheviks of Moscow, to judge from the course of the Polish mark and the Russian rouble if any one is interested enough to buy them on an international market.

The rate of exchange since the war has not perceptibly improved even for the great countries, and it is extraordinarily worse for the other countries.

In June, 1921, France had a circulation of about thirty-eight billion francs, Belgium six billion francs, Italy about eighteen billion; Great Britain, between state notes and Bank of England notes,

had hardly £434,000,000 sterling. Actually, among the Continental countries surviving the war, Italy is the country which has made the greatest efforts not to augment the circulation but to increase the taxes; and this because she had no illusions of rebuilding her finance and her national economy on an enemy indemnity.

But the conquered countries have so abused their circulation that they almost live on the thought of it—as, in fact, not a few of the conquering countries and those that are the result of the war, do. Germany has passed eighty-eight billions, and is rapidly approaching one hundred billions. Now, when one thinks that the United States, after so many loans and after all the expenses of the war, has only a circulation of $4,557,000,000, one understands what difficulty Germany has to produce, to live, and to refurnish herself with raw materials.

Only Great Britain of all the countries in Europe that have issued from the war has had a courageous financial policy. Public opinion, instead of pushing Parliament to financial dissipation, has insisted on economy. If the situation created by the war has transformed also the English circulation into unconvertible paper money, this is merely a passing phase. If sterling loses almost a quarter of its value on the dollar—that is, on gold—seeing that the United States of America alone now have a money at par, this is also merely a transitory phase.

Great Britain has the good sense to curtail expenses, and sterling tends continually to improve.

France and Italy are in an intermediate position. Their money can be saved, but it will require energetic care and great economies, stern finance, a greater development of production, limitation of consumption, above all, of what is purchased from abroab. At the date of which I am writing, French currency stands toward sterling in the ratio of 47:100 and toward the dollar 36:100. The Italian lira stands at a ratio of 28:100 to sterling and 21:100 toward the dollar.

There are still two countries in which tenacious energy can save and with many sacrifices they can arrive at sound money. France has a good many more resources than Italy; she has a smaller need of imports and a greater facility for exports. But her public debt has reached two hundred sixty-five billions, the circulation has well passed thirty-eight billions, and they still fear to calculate among the extraordinary income of the budget the fifteen billions a year which should come from Germany.

Italy, with great difficulty of production and less concord inside the country, has a truer vision, and does not reckon any income that is not derived from her own resources. Her circulation does not pass eighteen billions, and her debt exceeds by but little one hundred billions.

With prudence and firmness France and Italy will be able to balance their accounts.

But the financial situation and the exchanges of the conquered countries, even that of Germany, may be called desperate.

If expressed in percentages, the German mark is worth 5.11 per cent. in comparison with the pound sterling and 3.98 per cent. of the dollar. What possibility is there of systematizing the exchange?

Germany was compelled this year to carry her expenses to one hundred thirty billions of marks. As her circulation has exceeded eighty-eight billions, how can she straighten out her money?

As for the Austrian and Hungarian crowns, the Jugo-Slav crowns, the Rumanian lei, and all the other depreciated moneys, their fate is not doubtful. As their value is always descending, and the gold equivalent becomes almost indeterminable, they will have a common fate. As for the Polish mark, it can be said that before long it will not be worth the paper on which it is printed.

There is, then, the fantastic position of the public debts! They have reached now such figures that no imagination could have forecasted. France alone has a debt which of itself exceeds by a great deal all the debts of all the European States previous to the war: 265 billions of francs. And Germany, the conquered country, has in her turn a debt which exceeds 320 billions of marks, and which is rapidly approaching 400 billions. The debts of many countries can only be remembered, because there is no practical interest in knowing whether Austria, Hungary, and especially Poland, has one debt or another, since the situation of the creditors is not a situation of reality.

The whole debt of the United States of America

is, after so much war, only 23,982,000,000 dollars; but the United States are creditors of the Entente for 9,500,000,000 dollars. Also England, against a debt of £9,240,000,000 sterling, has a credit of £1,778,000,000.

These serious figures which we have cited explain the situation of unrest which has become more acute through the scarcity of commercial exchanges. They indicate also that internal peace is more necessary in every country than anything else. We must produce more, consume less, put the finances in order, and reestablish credit. Instead, the conquered countries are going downward every day and the conquering countries are maintaining very big armies, exhausting their resources, while they are spreading the conviction that the indemnity from the enemy will compensate sufficiently, or at least partly, for the work of restoration.

In fact, the causes of discontent and distrust are augmenting. Nothing is more significant than the lack of conscience with which programs of violence and of ruin are lightly accepted; nothing is more deplorable than the thoughtlessness with which the germs of new wars are cultivated. Germany has disarmed with a swiftness that has even astonished the military circles of the Entente; but the bitter results of the struggle are not only not finished against Germany, not even to-day does she form part of the League of Nations (which is rather a sign of a state of mind than an advantage), but the attitude toward her is even more hostile.

Two years after the end of the war R. Poincaré wrote that the League of Nations would lose its best possibility of lasting if, *un jour*, it did not reunite all the nations of Europe. But he added that of all the conquered nations—Austria, Hungary, Bulgaria, Turkey and Germany—the last-mentioned, by her conduct during the war and after the peace, justified least a near right of entry. It would be *incontestablement plus naturel* (with how many things does nature occupy herself!) to let Austria enter first if she will disavow the policy of reattachment—that is, being purely German, to renounce, even though she can not live alone, union with Germany, and this contrary to the principle of nationality, and in spite of the principle of self-determination. Bulgaria and Turkey may join the League provided they maintain a loyal and courtêous attitude toward Greece, Rumania and Serbia. The turn of Germany will come, but only after Turkey, when she will have given proof of executing the treaty, which no reasonable and honest person considers it possible for her to carry out in its entirety.

The most characteristic facts of this peace which continues the war can be recapitulated as follows:

1. Europe on the whole has more men under arms than before the war. The conquered states are forced to disarm, but the conquering states have increased their armaments; the new states and the countries which have been created by the war have also increased their armaments.

2. Production is very tardily being taken up

again because there is everywhere, if in a different degree, a lesser desire for work on the part of the working classes joined with a need for higher remuneration.

3. The difficulties of trade, instead of decreasing in many countries of Europe, are increasing, and international commerce is very slowly recovering. Between the states of Europe there is no real commerce which can compare with that under normal conditions. Considering actual values with values before the war, the products which now form the substance of trade between European countries do not represent even the half of that before the war.

As the desire for consumption, if not the capacity for consumption, has greatly increased, and the production is greatly decreased, all the states have increased their functions. So the depreciation of the paper money and the treasury bills which permit these heavy expenses is in all the countries of Europe, even if in different degrees, very great.

The conquering countries, from the moment that they had obtained in the treaties of peace the acknowledgment of the conquered that the war was caused by them, held it to be legitimate that they should lose all their available goods, their colonies, their ships, their credits and their commercial organization abroad, but that the conquered should also pay all the damages of the war. The war, therefore, should be paid for by the conquered, who recognized (even if against their will) that they were alone responsible. That forms henceforth a

certain canon of foreign policy, the less true a thing appear the more it is repeated.

Although the treaties oblige Austria, Hungary, Bulgaria and Turkey to pay the damages of the war, it is, however, certain that they are not able to pay anything and not even the expenses of the victors on their territory. *"Cantabit vacuus coram latrone viator,"* said Juvenal ("Who has nothing can give nothing"), and Austria, for her part, instead of giving is asking for help to feed herself.

So the problem remains limited to Germany. Can she pay the indemnity indicated in the treaty? Can she pay for the damages and indemnify the victors? After having given up her colonies, her ships, her railway material, all her available credits abroad, in what form can she pay?

The fundamental controversy reduces itself henceforth only to this point, which we shall try if possible to make clear, since we desire that this matter shall be presented in the clearest and most evident form.

From now on it is not the chancelleries which must impose the solutions of these problems; but it is the mass of the public in Europe and America.

V

THE INDEMNITY FROM THE DEFEATED ENEMY AND THE ANXIETIES OF THE VICTORS

We have seen the process by which the idea of the indemnity for damages, which was not contained either in the peace declaration of the Entente, nor in the manifestations of the various parliaments, nor in the first armistice proposals, nor in the armistice between Italy and Austria, was introduced in the armistice with Germany, out of pure regard for France, without taking heed of the consequences. Three words, said Clemenceau, only three words need be added, words which compromise nothing and are an act of deference to France. The entire construction of the treaties, after all, is based on those three words.

And how fantastic the demands for compensation have become!

An old Italian proverb says, "In time of war there are more lies than earth." Ancient and modern pottery reproduce the motto, which is widespread, and whose truth was not understood until some years ago. So many foolish things were said about the almost mysterious maneuvers of Ger-

many, about her vast expansion, her great resources and accumulated capital, that the reality tended to become lost to sight.

These absurd legends, formed during the war, were not forgotten, and there are even now many who believe in good faith that Germany can pay, if not twenty or twenty-five billions a year, at least nine or ten without any difficulty.

France's shrewdest politicians, however, well knew that the demand for an enormous and unlimited indemnity was only a means of putting Germany under control and of forcing her down to the point of exhaustion. But the others maintained this proposal more out of rancor and hatred than from any actual political concept. It may be said that the problem of the indemnity has never been seriously studied and that the calculations, the valuations, the procedures, have all formed a series of impulsive acts coordinated by a single error, the error of the French politicians who had the one aim of holding Germany down.

The procedure was simple.

In the first phase the indemnities came into being from three words inserted almost by chance into the armistice treaty on November 2, 1918, reparations for damages. It was merely a matter of a simple expression to satisfy public feeling. "I beg the council to put itself into the state of mind of the French population." (*Je supplie le conseil de se mettre dans l'esprit de la population française.*) . . . It was a moral concession, a moral satisfaction.

But afterward, as things went on, all was altered when it came to preparing the treaties.

For a while the idea, not only of a reparation of damages, but of the payment of the cost of the war was entertained. It was maintained that the practise of making the vanquished reimburse the cost of the war was permitted by international law. Since Germany had provoked the war and lost it, she must not only furnish an indemnity for the losses, but also pay the cost.

The cost was calculated roughly at seven hundred billions of francs at par. Further, there was the damage to assess. In the aggregate, war costs, damage to property, damage to persons, came to at least one thousand billions. But since it was impossible to demand immediate payment and was necessary to spread the sum over fifty years, taking into consideration sinking funds and interest the total came to three thousand billions. The amount was published by the illustrated papers with the usual diagrams, drawings of golden globes, length of paper money if stretched out, height of metal if all piled up together, etc., etc.

These figures were discussed for the first few months by a public accustomed to be surprised at nothing. They merely helped to demonstrate that an indemnity of three hundred and fifty billions was a real sacrifice for the Allies.

Thus a whole series of principles came to be established which were a contradiction of reality.

A great share in the responsibility in this matter

lies with Great Britain, who not only followed France's error, but in certain ways made it worse by a number of intemperate requests. Italy had no influence on the proceedings owing to her indecisive policy. Only the United States, notwithstanding the banality of some of her exports (*lucus a non lucendo*), spoke an occasional word of reason.

When Lloyd George understood the mistake committed in the matter of the indemnity it was too late.

The English public found itself face to face with the elections almost the day after the conclusion of the war. In the existing state of exaltation and hatred the candidates found a convenient "plank" in promising the extermination of Germany, the trial of the kaiser, as well as of thousands of German officers accused of cruelty, and last, but not least, the end of German competition.

The prime minister of Australia, William Morris Hughes, a small-minded, insensitive, violent man, directed a furious campaign in favor of a huge indemnity. Lord Northcliffe lent the aid of his numerous papers to this campaign, which stirred up the electors.

Lloyd George, with his admirable intelligence, perceived the situation clearly. He did not believe in the usefulness or even in the possibility of trying the kaiser and the German officers. He did not believe in the possibility of an enormous indemnity or even a very large one.

His first statements, like those of Bonar Law, a

serious, honest, well-balanced man, an idealist with the appearance of a practical person, revealed nothing. On the eve of the dissolution of Parliament, Lloyd George, speaking at Wolverhampton, November 24, 1918, did not even hint at the question of the reparations or indemnity. He was impelled along that track by the movement coming from France, by the behavior of the candidates, by Hughes's attitude, and by the Press generally, especially that of Northcliffe.

A most vulgar spectacle was offered by many of the English candidates, among whom were several members of the War Cabinet, who used language worthy of raving dervishes before crowds hypnotized by promises of the most impossible things.

To promise the electors that Germany should pay the cost of the war, to announce to those who had lost their sons that the kaiser was to be hanged, to promise the arrest and punishment of the most guilty German officers, to prophesy the reduction to slavery of a Germany competing on sea and land, was certainly the easiest kind of electoral program. The numerous war-mutilated accepted it with much enthusiasm, and the people listened, open-mouthed, to the endless series of promises.

Hughes, who was at bottom in good faith, developed the thesis which he afterward upheld at Paris with logical precision. It was Germany's duty to reimburse, without any limitation, the entire cost of the war: damage to property, damage to persons, and war-cost. He who has committed the

wrong must make reparation for it to the extreme limits of his resources, and this principle, recognized by the jurists, requires that the total of the whole cost of the war fall upon the enemy nations. Later on, Hughes, who was a sincere man, recognized that it was not possible to go beyond asking for reparation of the damages.

Lloyd George was dragged along by the necessity of not drawing away the mass of the electors from the candidates of his party. Thus he was obliged on December 11, in his final manifesto, to announce not only the kaiser's trial and that of all those responsible for atrocities, but to promise the most extensive kind of indemnity from Germany and the compensation of all who had suffered by the war. Speaking the same evening at Bristol, he promised to uphold the principle of the indemnity, and asserted the absolute right to demand from Germany payment for the costs of the war.

In England, where the illusion soon passed away, in France, where it has not yet been dissipated, the public has been allowed to believe that Germany can pay the greater part, if not the entire cost of the war, or at least make compensation for the damage.

For many years I have studied the figures in relation to private wealth and the wealth of nations, and I have written at length on the subject. I know how difficult it is to obtain by means of even approximate statistics results more or less near to the reality. Nothing pained me more than to hear the facility with which politicians of repute spoke of

obtaining an indemnity of hundreds of billions. When Germany expressed her desire to pay an indemnity in one agreed lump sum (*à forfait*) of one hundred billions of gold marks (an indemnity she could never pay, so enormous is it), I saw statesmen, whom I imagined not deprived of intelligence, smile at the paltriness of the offer. An indemnity of fifty billions of gold marks, such as that proposed by Keynes, appeared absurd in its smallness.

When the Peace Conference reassembled in Paris the situation concerning the indemnity was as follows. The Entente had never during the war spoken of indemnity as a condition of peace. Wilson, in his proposals, had spoken only of reconstruction of invaded territories. The request for reparations for damages had been included in the terms of the armistice merely to afford a moral satisfaction to France. But the campaign waged in France and during the elections in England had exaggerated the demands so as to include not only reparation for damage but reimbursement of the cost of the war.

Only the United States maintained that the indemnity should be limited to the reparation of the damages: a reparation which in later phases included not only reconstruction of destroyed territories and damage done to private property, but even pensions to the families of those killed in the war and the sums in grant paid during it.

When Prussia conquered France in 1870, she asked for an indemnity of five billion. The Entente could have demanded from the vanquished an in-

demnity and then have reassumed relations with them provided it were an indemnity that they could pay in a brief period of time.

Instead, it being impossible to demand an enormous sum of three hundred or four hundred billions, a difficult figure to fix definitely, recourse was had to another expedient.

From the moment that the phrase reparation for damages was included in the armistice treaty as a claim that could be urged, it became impossible to ask for a fixed sum. What was to be asked for was neither more nor less than the amount of the damages. Hence a special commission was required, and the Reparations Commission appears on the scene to decide the sum to demand from Germany and to control its payment. Also even after Germany was disarmed a portion of her territory must remain in the Allies' hands as a guarantee for the execution of the treaty.

The reason why France has always been opposed to a rapid conclusion of the indemnity question is that she may continue to have the right, in view of the question remaining still open, to occupy the left bank of the Rhine and to keep the bridgeheads indicated in the treaty.

The thesis supported by Clemenceau at the Conference was a simple one: Germany must recognize the total amount of her debt; it is not enough to say that we recognize it.

I demand in the name of the French Government, and

after having consulted my colleagues, that the Peace Treaty fix Germany's debt to us and indicate the nature of the damages for which reparation is due. We will fix a period of thirty years if you so wish it, and we will give to the Commission, after it has reduced the debt to figures, the mandate to make Germany pay within these thirty years all she owes us. If the whole debt can not be paid in thirty years the Commission will have the right to extend the time for payment.

This scheme was agreed upon. And the thesis of the compensation of damages, instead of that for the payment of the cost of the war, prevailed for a very simple reason. If they proposed to demand for all integral reparations, and therefore the reimbursement of the cost of the war, the figures would have been enormous. It became necessary to reduce all the credits proportionally, as in the case of a bankruptcy. Now, since in the matter of the indemnities France occupied the first place (to begin with, she asked sixty-five per cent. of all sums paid by Germany), she took the greater part of the indemnities, while on the sums paid for reimbursement of cost of war, she would only have got less than twenty per cent.

Germany has therefore been put under control for all the time she will be paying the indemnities—that is, for an indefinite period.

The valuation of the expenses for the reconstruction of the ruined territories had to be carried out according to the regulations of the treaty, and, the prices having increased, the French Government

presented in July, 1920, a first approximate valuation: damages, one hundred and fifty-two billions; pensions, fifty-eight billions; in all, two hundred and ten billions. In November, 1920, the damages had increased to two hundred and eighteen billions.

Even these figures represent something less absurd than the first demands and figures.

On September 5, 1919, the French minister of finance, speaking in the French Chamber, calculated the total of the German indemnities arising from the treaty at three hundred and seventy-five billions, whose interest would accumulate until 1921, after which date Germany would begin to pay her debt in thirty-four annual rates of about twenty-five billions each, and thirteen thousand seven hundred and fifty billions a year would go to France.

Again, in November, 1920, Ogier, minister of the liberated regions, put before the Reparations Commission in the name of France a detailed memorial which made the value of the territories to be reconstructed only for the cases of private individuals come to one hundred and forty billions, not including the pensions, damage to railways and merchant marine, which totaled two hundred and eighteen billions, of which seventy-seven billions were for pensions and one hundred and forty-one billions for damages.

Of late the sense of reality has begun to diffuse itself. The Minister Loucheur himself has laughed at the earlier figures, and has stated that the damages do not exceed eighty billions.

But the French public has been accustomed for some time to take the figures of Klotz seriously, and to discuss indemnities of one hundred and fifty, two hundred and two hundred and fifty billions. The public, however, is not yet aware of the real position, and will not be able to arrive at a just realization of it without passing through a serious moral crisis which will be the first secure element of the real peace.

Setting aside all questions of indemnities from Austria-Hungary, Turkey and Bulgaria (they have nothing to give, can give nothing; on the contrary, they ask and merit assistance), it is clear that all the indemnities must be paid by Germany.

The French totals of the material damage claims in the invaded districts have been absolutely fantastic and more exaggerated than in the case of Belgium, whose indemnity claims would lead one to suppose the total destruction of at least the third part of her territory, almost as if she had undergone the submersion of, say, ten thousand square meters of her small territory.

This problem of the indemnities, limited to the reparation of damages, and in accordance with the costs contemplated in the Treaty of Versailles, has never been seriously tackled. One may even say it has not been seriously examined. And it is deplorable that there has been created among the public, or among a large part of it, the conviction that Germany will repair the damage of the war by her own effort. This idea, however, finds no acceptance

in England among serious persons, and in Italy no one believes in it. But in France and Belgium the idea is widely diffused, and the wish to spread the belief is lively in several sections of opinion, not because intelligent people believe in the possibility of effective payment, but with the idea of putting Germany in the light of not maintaining the clauses of the peace, thus extending the right to prolong the military occupation and even to aggravate it. Germany, thereby, is kept out of the League of Nations and her dissolution facilitated. The exaggerated illusions created in France by the conduct of the government and by the work of the Press have brought about an irremediable situation. In France no plan for the indemnity which is practicable for Germany is politically acceptable.

John Maynard Keynes, ever since the end of 1919, has shown in his admirable book the absurdity of asking for vast indemnities, Germany's impossibility of paying them, and the risk for all Europe of following a road leading to ruin, thus at the same time accentuating the work of disintegration started by the treaty. That book had awakened a far-reaching effect, but it ought to have had a still wider one, and would have had it but for the fact that, unfortunately, the Press in free countries is anything but free.

The great industrial syndicates, especially in the steel-making industry, which control so large a part of the Press among the majority of the states of Europe, and even beyond Europe, find easy allies

in the inadequate preparation of the major part of the journalists to discuss the most important problems, and the indisposition on the part of the public to examine those questions which present difficulties, and are so rendered less convenient for discussion.

I knew Keynes during the war, when he was attached to the British Treasury and chief of the department charged to look after the foreign exchanges and the financial relations between Great Britain and her Allies. A serious writer, a teacher of economics of great value, he brought to his difficult task a scrupulousness and an exactness that bordered on mistrust. As I was at that time minister of the Treasury in Italy, in the bitterest and most decisive period of the war, I had frequent contact with Mr. Keynes, and I always admired his exactness and his precision. I could not always find it in myself to praise his friendly spirit. But he had an almost mystic force of severity, and those enormous squanderings of wealth, that facile assumption of liabilities that characterized this period of the war, must have doubtless produced in him a sense of infinite disgust. This state of mind often made him very exacting, and sometimes unjustifiably suspicious. His word had a decisive effect on the actions of the English Treasury.

When the war was finished, he took part as first delegate of the English Treasury at the Peace Conference of Paris, and was substituted by the chancellor of the Exchequer in the Supreme Economic

Council. He quitted his office when he had come to the conclusion that it was hopeless to look for any fundamental change of the peace treaties.

His book is not only a document of political uprightness but the first appeal to a sense of reality which, after an orgy of mistakes, menaces a succession of catastrophes. In my opinion it merits a serious reconsideration as the expression of a new conscience, as well as an expression of the truth, which is only disguised by the existing state of exasperation and violence.

After two years we must recognize that all the forecasts of Keynes have been borne out by the facts: that the exchange question has grown worse in all the countries which have been in the war, that the absurd indemnities imposed on the enemies can not be paid, that the depressed condition of the vanquished is harmful to the victors almost in equal measure with the vanquished themselves, that it menaces their very existence, that, in fine, the sense of dissolution is more wide-spread than ever.

The moment has come to make an objective examination of the indemnity question, and to discuss it without any hesitation.

Let us lay aside all sentiment and forget the undertakings of the peace treaties. Let us suppose that the Entente's declarations and Wilson's proposals never happened. Let us imagine that we are examining a simple commercial proposition stripped of all sentiment and moral ideas.

After a great war it is useless to invoke moral

sentiments: men, while they are blinded by hatred, recognize nothing save their passion. It is the nature of war not only to kill or ruin a great number of men, not only to cause considerable material damage, but also, necessarily, to bring about states of mind full of hate which can not be ended at once and which are even refractory to the language of reason.

For a long time I myself have looked upon the Germans with the profoundest hatred. When I think of all the persons of my race dead in the war, when I look back upon the fifteen months of anguish when my first-born son was a prisoner of war in Germany, I am quite able to understand the state of mind of those who made the peace and the mental condition in which it was made. What determined the atmosphere of the peace treaties was the fact that there was a conference presided over by Clemenceau, who remembered the Prussians in the streets of Paris after the War of 1870, who desired but on thing: the extermination of the Germans. What created this atmosphere, or helped to create it, was the action of Marshal Foch, who had lost in the war the two persons dearest to him in life, the persons who attached him to existence.

But now we must examine the question not in the light of our sentiments or even of our hatreds. We must see quite calmly if the treaties are possible of application without causing the ruin of the vanquished. Then we must ask ourselves if the ruin of the vanquished does not bring in its train the ruin of the victors. Putting aside, then, all moral con-

siderations, let us examine and value the economic facts.

There is no question that the reparation problem exists solely in the case of Germany, who has still a powerful statal framework which allows her to maintain great efforts, capable not only of providing her with the means of subsistence, but also of paying a large indemnity to the victors. The other vanquished states are more in need of succor than anything else.

What are the reparations?

Let us follow the resumé of them which a representative of France made at the signing of the Treaty of Versailles. They are as follows:

1. Germany is responsible for the total of the losses and damages sustained by her victors inasmuch as she caused them.

2. Germany, in consideration of the permanent diminution of her resources, resulting from the Peace Treaty, is only obliged (but is obliged without restrictions or reservations) to make payment for the direct damages and the pensions as set forth in Schedule I of Clause VIII of the treaty.

3. Germany must pay before May 1, 1921, not less than twenty billion gold marks or make equivalent payment in kind.

4. On May 1 the Reparations Commission will fix the total amount of the German debt.

5. This debt must be liquidated by annual payments whose totals are to be fixed annually by the Commission.

6. The payments will continue for a period of thirty years, or longer if by that time the debt is not extinguished.

7. Germany will issue one hundred billion of gold marks of bearer bonds, and afterward all such issues as the Reparations Commission shall demand, until the amount of the debt be reached in order to permit the stabilization of credit.

8. The payments will be made in money and in kind. The payments in kind will be made in coal, live stock, chemical products, ships, machines, furniture, etc. The payments *in specie* consist of coin, of Germany's credits, public and private, abroad, and of a first charge on all the effects and resources of the Empire and the German States.

9. The Reparations Commission, charged with seeing to the execution of this clause, shall have powers of control and decision. It will be a commission for Germany's debt with wider powers. Called upon to decide, according to equity, justice and good faith, without being bound by any codex or special legislation, it has obtained from Germany an irrevocable recognition of its authority. Its duty is to supervise until the extinction of the debt, Germany's situation, her financial operations, her effects, her capacity for production, her provisioning, her production. This commission must decide what Germany can pay each year, and must see that her payments, added to the budget, fall upon her taxpayers at least to the extent of the allied country most heavily taxed. Its decisions shall be carried out immediately and receive immediate application, without any other formality. The commission can effect all the changes deemed necessary in the German laws and regulations, as well as all the sanctions, whether of a financial, economic or military nature arising from established violations of the clauses put under its control. And Germany is obliged not to consider these "sanctions" as hostile acts.

In order to guarantee the payments an Inter-Allied Army—in reality a Franco-Belgian Army—occupies the left bank of the Rhine, and is stationed at the bridgeheads. Germany is completely helpless, and has lost all the features of a sovereign state inasmuch as she is subject to "controls" in a way that Turkey never was. In modern history we can find no parallel for this state of things. These are conditions which alter the very basis of civilization and the relations between peoples. Such procedure has been unknown in Europe for centuries. The public has become accustomed in certain countries to consider responsible for the war not the government that wished it or the German people, but the future generations. Thus the indemnities are to be paid—were such conditions possible—in thirty years and for at least twenty years afterward by people still unborn at the time of the war. This cursing of the guilty people has no parallel in modern history. We must go back to the early ages of humanity to find anything of the kind.

But even the most inhuman policies, such as Germany has never adopted in her victories, although she has been accused of every cruelty, can find at least some justification if they had a useful effect on the countries which have wished and accept responsibility for them. The conqueror has his rights. Julius Cæsar killed millions of Germans and retarded perhaps for some centuries the invasion of Rome. But the practises established by the Treaty of Versailles are in effect equally harmful to victors

and vanquished, though maybe in unequal measure, and in any case prepare the dissolution of Europe.

I had my share in arranging at San Remo the Spa Conference, in the hope and with the desire of discussing frankly with the Germans what sum they could pay by way of indemnity without upsetting their economy and damaging severely that of the Allies. But the ministerial crisis that took place in June, 1920, prevented me from participating at the Spa Conference; and the profitable action which Great Britain had agreed to initiate in the common interest, ours as well as France's, could not be carried through. The old mistakes continued to be repeated, though many attenuations have come about and the truth begins to appear even for those most responsible for past errors.

We shall have to examine with all fair-mindedness whether Germany is in a position to pay in whole or in part the indemnity established or rather resulting from the treaty. France especially believes, or has said on several occasions she believes, that Germany can pay without difficulty three hundred and fifty billions.

After many stupidities and many exaggerations which have helped considerably to confuse the public, confronted by the new difficulties which have arisen, new arrangements for the payment of the indemnity have been established. On May 11, in view of the situation which had arisen, the Allies proposed and Germany accepted a fresh scheme for the payment of the reparations. Germany is con-

strained to pay every year in cash and in kind the equivalent of five hundred million dollars, plus twenty-six per cent. of the total of her exports.

The rest of the agreement refers to the procedure for the issue of bonds guaranteed on the indicated payments, to the constitution of a guarantee committee, and to the date of payment. Probably Germany will have been able to get through the year 1921 without insurmountable difficulties.

At Spa, on April 27, 1921, the proportionate sums assessed for each of the conquering powers were established on a total indemnity notably reduced in comparison with the earlier absurd demands.

The Conference of Brussels (December 16 to 22, 1920), the decisions of Paris (January 24 to 30, 1921), the first conference (March 1 to 7, 1921) and the second conference of London (April 29 to May 5, 1921) have successively modified the earlier demands. They constitute so many approximations to the unrecognized truth the open admission of which is prevented by the French Government.

But putting aside the idea of an indemnity of two hundred and fifty, one hundred and fifty, or even one hundred billions of gold marks, it will be well to examine in a concrete form what Germany can be made to pay, and whether the useless and elaborate structure of the Reparations Commission with its powers of regulating the internal life of Germany for thirty years or more, ought not to be discontinued for a simpler plan more in sympathy with civilized notions.

Shortly before the war, according to successive statistics, the private wealth of France did not amount to more than two hundred and fifty billions. The wealth of France, according to successive valuations, was calculated at two hundred and eight billion francs in 1905 (De Foville), at two hundred and fourteen billions in 1908 (Turquan), and at about two hundred and fifty billions according to other authors. The wealth of Belgium, according to official statistics published by the Belgian Ministry of Finance in 1913, amounted to rather less than thirty billion francs. The estimate is perhaps a trifle low. But this official figure must not be considered as being a long way from the truth. At certain moments Belgium's demands have surpassed even the total of her national wealth, while the damages have not been more than some billions.

The value of the land in France was calculated before the war at between sixty-two and seventy-eight billions; the value of the buildings, according to *l'Annuaire Statistique de la France,* at fifty-nine and one-half billions. The territory occupied by the Germans is not more than a tenth of the national territory. Even taking into consideration the loss of industrial buildings it is very difficult to arrive at the figure of fifteen billions. At the same time it is true that the Minister Loucheur declared on February 17, 1919, in the French Chamber that the reconstruction of the devastated regions in France required seventy-five billions—that is, very much more than double the private wealth of all the inhabitants of all the occupied regions.

In all the demands for compensation of the various states we have seen not so much a real and precise estimate of the damages (which is impossible) as a kind of fixing of credit in the largest measure possible in order that in the successive reductions each state should still have proportionally an advantageous share.

Making his calculation with a generosity which I assert to be excessive (and I assert this as a result of an accurate study of the question, which perhaps I may have occasion to publish), Keynes maintains that the damages for which Germany should be made to pay come to fifty-three billions for all losses on land and sea and for the effects of aerial bombardments—fifty-three billions of francs all told, including the damages of France, Great Britain, Italy, Belgium, Serbia, etc.! I do not believe that the damages reach forty billions of gold marks, unless, of course, we calculate in them the pensions and allowances.

But these figures have but small interest, since the demands have been almost entirely purely arbitrary.

What we must see is whether Germany can pay, and whether, with a régime of restrictions and violence, she can hand over, not the many billions which have been announced and which have been a deplorable speculation on the ignorance of the public, but a considerable sum, such as is that which many folk still delude themselves it is possible to have.

Germany has already turned over all her transferable wealth; the gold in her banks, her colonies,

her commercial fleet, a large and even the best part of her railway material, her submarine cables, her foreign credits, the property of her private citizens in the victorious countries, etc. Everything that could be handed over, even in opposition to the rights of nations as such are known in modern civilized states, Germany has given. She has also mortgaged all her national goods. What can she give now?

Germany can pay in three ways only:

1. Merchandise and food products on account of the indemnity: coal, machines, chemical products, etc.

2. Credits abroad coming from the sale of merchandise. If Germany exports, that is sells eight billion marks' worth of goods abroad, she pays two billions to the Reparations Commission.

3. Property of private citizens. Germany can enslave herself, ceding the property of her private citizens to foreign states or citizens to be disposed of as they wish.

Excluding this last form, which would constitute slavery pure and simple, as useless, as impossible, and calculated to parallel the methods in use among barbarous peoples, there only remain the first two methods of payment which we will examine briefly. But this latter form is only partly applied because of the ruin of exchange. Outsiders are buying at low prices German enterprises or partnerships in Germany.

It must be remembered that Germany, even before

the war, was in difficulties for insufficient avenues of development, considering the restricted nature of her territory and the density of her population. Her territory, smaller than that of France and much less fertile, must now feed a population which stands to that of France as three to two.

If we have had gigantic war losses, Germany, who fought on all the fronts, has had losses certainly not inferior to ours. She too has had, in larger or smaller proportion, her dead and her mutilated. She has known the most atrocious sufferings from hunger. Thus her productive power is much diminished, not only on account of the grave difficulties in which her people find themselves (and the development of tuberculosis is a terrible index), but also for the lowered productive capacity of her working classes.

The statistics published by the Office of Public Health of the Empire (*Reichsgesundheitsamt*) and those given in England by Professor Starling and laid before the British Parliament, leave no doubt in the matter.

Germany has had more than one million eight hundred thousand killed and many more than four million wounded. She has her mass of orphans, widows and invalids. Taken altogether the structure of her people has become much worse.

What constituted the great productive force of the German people was not only its capacity to work, but the industrial organization which she had created with fifty years of effort at home and

abroad with many sacrifices. Now Germany has not only lost eight per cent. of her population, but twenty-five per cent. of her territory, from which cereals and potatoes were produced, and ten to twelve per cent. of her live stock, etc.

We have already seen the enormous losses sustained by Germany in coal, iron and potash.

The most intelligent and able working classes, created by the most patient efforts, have been reduced to the state of becoming revolutionary elements. By taking away from Germany at a stroke her merchant marine, about sixty thousand sailors have been thrown on the streets and their skill made useless.

Germany, therefore, impoverished in her agricultural territory, deprived of a good part of her raw materials, with a population weakened in its productive qualities, has lost a good part of her productive capacity because all her organization abroad has been broken, and everything which served as a means of exchange of products, such as her merchant fleet, has been destroyed. Moreover, Germany encounters everywhere obstacles and suspicion. Impeded from developing herself on the seas, held up to ridicule by the absurd corridor of Danzig, whereby there is a Polish State in German territory, she can not help seeking life and raw materials in Russia.

In these conditions she must not only feed her vast population, not only produce sufficient to prevent her from falling into misery, but must also pay

an indemnity which fertile fantasies have made a deceived Europe believe should amount even to three hundred and fifty billions of gold marks, and which even now is supposed by seemingly reasonable people to be able to surpass easily the sum of a hundred billions.

Could France or Italy, by any kind of sacrifice, have paid any indemnities after ending the war? Germany has not only to live and make reparation, but to maintain an Inter-Allied Army of Occupation and the heavy machinery of the Reparations Commission, (on which every worthless individual is receiving compensation greater than that of the prime minister of his country) and must prepare to pay an indemnity for thirty years. France and Italy have preserved their colonies (Italy's do not amount to much), their merchant fleets (which have much increased), their foreign organization. Germany, without any of these things, is to find herself able to pay an indemnity which a brazen-faced and ignorant Press deceived the public into believing could amount to twenty or twenty-five billions a year.

Taking by chance Helferich's book, which valued the annual capitalization at ten billions, the difference between an annual production of forty-three billions and a consumption of thirty-three billions, inexpert persons have said that Germany can pay without difficulty ten billions, plus a premium on her exports, plus a sufficient quantity of goods and products.

One becomes humiliated when one sees newspapers of serious reputation and politicians deemed not to be unimportant reasoning in language so false.

The estimates of private wealth, about which the economists make experiments, and on which I myself have written much in the past, have a relative value. It may be argued that before the war the total of all private patrimony in Germany surpassed by but little three hundred billions of marks; and this is a valuation made upon generous criteria.

But when it is said that the annual capitalization of Germany was ten billion, that is not to say that ten billion of capital is deposited in the banks ready to be transferred at will. Capitalization means the creation of instruments of production. The national capital increases in proportion as these are increased. Therefore the best way of examining the annual capitalization of a country is to see how many new industries have arisen, to what extent the old ones have been improved, what improvements have been introduced into agriculture, what new investments have been made, etc.

If the annual capitalization of Germany before the war was scarcely ten billions of marks, it was too small for an empire of some sixty-seven million persons. I believe that in reality it was larger. But even if it came to fifteen billion, it represented a very small figure.

The population in the progressive countries augments every year. In Germany, before the war, in

the period 1908-1913, the population increased on an average by 843,000 persons a year, the difference between the births and the deaths. In other words, the annual increase of the population per annum was at the rate of thirteen per thousand.

As in certain districts of Italy the peasants plant a row of trees on the birth of very son, so among nations it is necessary to increase the national wealth at least in proportion to the newly born. Supposing that the private wealth of the German citizens was from three hundred to three hundred and fifty billions of marks (an exaggeration, doubtless), it would mean that the wealth increased each year by a thirteenth part or rather more. The difference between the increase in population and the increase in wealth constituted the effective increase in wealth, but always in a form not capable of being immediately handled. To plant trees, build workshops, utilize water-power: all this stands for the output of so much force. One may undertake such works or not, but in any case the result can not immediately be given to the enemy.

This is so obvious as to be banal.

To seek to propagate the idea that Germany can give that which constitutes her annual capitalization either wholly or in great part is an example of extreme ignorance of economic facts.

It is positively painful to listen to certain types of argument.

A French minister has said that the success of the war loans for 151 billions in Germany, and the in-

crease of bank deposits for a sum of 28 billions, coinciding with an increase of capital of 45 billions in stock companies, demonstrate that Germany has saved at least 180 billions in four years. Waiving the exactness of these figures, it is really sad to observe reasoning of this type. How can the public have an idea of the reality?

Let us apply the same reasoning to France. We must say that inasmuch as France before the war had a public debt of 32 billions, and now has a debt of 265 billions, without calculating what she owes to Great Britain and the United States, France, by reason of the war, has immensely enriched herself, since, leaving aside the debt contracted abroad and the previous debt, she has saved during the war 200 billions, quite apart from the increase in bank deposits and the increase in capital of stock companies. The war has therefore immensely enriched her. In reality we are face to face with one of the phenomena of the intoxication brought about by paper money, by means of which it has been possible at certain times for the public to believe that the war had increased wealth. Other features of this phenomenon we have in the wretched example of the capitalist classes, after which it was not unnatural that the people should give way to a great increase in consumption, should demand high wages and offer little work in return at the very time when it was most necessary to work more and consume less. There is small cause for wonder that certain erroneous ideas are diffused among the public when they

have their being in those very sophisms according to which the indemnity to be paid by the beaten enemy will pay all the debts and losses of the conquering nations.

We are told that Germany, being responsible for the war, must impose on herself a régime of restrictions and organize herself as an exporting nation for the payment of the reparation debts.

Here again the question can be considered in two ways, according as it is proposed to allow Germany a free commerce or to impose on her a series of forced cessions of goods in payment of the reparations. Both hypotheses can be entertained, but both, as we shall see, lead to economic disorder in the conquering states, if these relations are to be regulated by violence.

It is useless to dilate on the other aphorisms, or rather sophisms, which were seriously discussed at the Paris Conference, and which even had the honor of being sustained by the technical experts:

1. That it is not important to know what Germany can pay, but it is sufficient to know what she ought to pay.

2. That no one can foresee what immense resources Germany will develop within thirty or forty years, and what Germany will not be able to pay will be paid by the Allies.

3. That Germany, under the stimulus of a military occupation, will increase her production in an unheard-of manner.

4. The obligation arising from the treaty is an

absolute one; the capacity to pay can only be taken into consideration to establish the number and amount of the annual payments; the total must in any case be paid within thirty years or more.

5. *Elle ou nous.* Germany must pay; if she doesn't the Allies must pay. It is not necessary that Germany free herself by a certain date; it is only necessary that she pay all.

6. Germany has not to discuss, only to pay. Let time illustrate what is at present unforeseeable, etc., etc.

If we exclude the third means of payment Germany has two ways open to her. First of all she can give goods. What goods? When we speak of goods we really mean coal. Now, as we have seen, according to the treaty Germany must furnish for ten years to Belgium, Italy, and France especially, quantities of coal, which in the first five years run from 39½ to 42 millions of tons, and in the following five years come to a maximum of about 32 millions. And all this when she has lost the Saar coal fields and is faced with the threatening situation in Upper Silesia.

Germany's exports reached their maximum in 1913, when the figures touched 10,097 millions of marks, excluding precious metals. Grouping exports and imports in categories, the millions of marks were distributed as follows:

	Imports.	Exports.
Foodstuffs	2,759	1,035
Live stock.....	289	7.4

Raw materials	5,003	1,518
Semi-manufactured goods..	5,003	1,139
Manufactured goods.....	1,478	6,395

About one-fifth of the entire exports was in iron and machine products (1,337 [millions] articles in iron, 680 machines); 722 millions from coal (as against imports of other qualities of 289), 658 millions of chemical products and drugs, 446 from cotton, 298 paint, 290 techno-electrical productions, etc.

Germany by imposing upon herself a régime of severe sacrifice can give up certain quantities of coal and some products, but in order to obtain payment abroad she must not only export but must export more than she imports. As she now has neither ships nor credit nor commercial organizations abroad she can not balance her credits unless the imports and exports balance, and she can only make payments to the degree in which exports surpass imports.

In 1920, notwithstanding all her efforts, the exports of Germany were worth five billion gold marks and the imports 5.4 billions. Her balance for the first half of 1921 is even more unfavorable.

Every demand for payment from Germany ruins her credit abroad in such a way as to further depreciate the value of the mark and to render difficult any further payment.

What goods can Germany give in payment of the indemnity? We have seen how she has lost a very large part of her iron and a considerable quantity of her coal.

All the economic strength of Germany was based upon:

(*a*) The proper use of her reserves of coal and iron, which allowed her to develop enormously those industries which are based on these two elements.

(*b*) On her transport and tariff system, which enabled her to fight any competition.

(*c*) On her powerful overseas commercial organization.

Now, by effect of the treaty, these three great forces have been entirely or in part destroyed.

What goods can Germany give in payment of the indemnity, and what goods can she offer without ruining the internal production of the Entente countries? Let us suppose that Germany gives machines, dyes, wagons, locomotives, etc. Then for this very fact the countries of the Entente, already suffering by unemployment, would soon see their factories obliged to shut down. Germany must therefore, above all, give raw materials; but since she is herself a country that imports raw materials, and has an enormous and dense population, she is herself obliged to import raw materials for the fundamental needs of her existence.

If we examine Germany's commerce in the five years prior to the war—that is, in the five years of her greatest boom—we shall find that the imports always exceeded the exports. In the two years before the war, 1912 and 1913, the imports were respectively 10,691 and 10,770 millions, and the exports 8,956 and 10,097 millions. In some years the

difference even exceeded two billions, and was compensated by credits abroad, and by the payment of freight and with the remittances (always considerable) of the German emigrants. All this is lost.

Exported goods can yield to the exporter a profit of, let us suppose, ten, twelve, or twenty per cent. For the Allies to take an income from the Custom returns means in practise reducing the exports. In fact, in Germany production must be carried on at such low prices as to compensate for the difference, or the exports must be reduced.

In the first case (which is not likely, since Germany succeeds only with difficulty, owing to her exchange, in obtaining raw materials, and must encounter worse difficulties in this respect than other countries), Germany would be preparing the ruin of the other countries in organizing forms of production which are superior to those of all her rivals. Germany would therefore damage all her creditors, especially in the foreign markets.

In the second case—the reduction of exports—one would have the exactly opposite effect to that imagined in the program proposed; that is, the indemnities would become unpayable.

In terms of francs or lire at par with the dollar, Germany's exportations in 1920 have amounted to 7,250 millions. In 1921 an increase may be foreseen.

If Germany has to pay in cash and kind 2,500 millions of marks at par, plus 26 per cent. of the total of her exports, then supposing an export trade of eight billions, she will have to give 2,040 billions, or

in all 4,540 billions of marks. Thus we arrive by stages at less hyperbolical figures, coming down from the twenty-five billions a year to something less than a fifth. But to come to grips with reality, Germany in all ways, it must be admitted, can not give more than two billions a year in raw materials and goods, if, indeed, it is desired that an indemnity be paid.

Notwithstanding her great resources, France would not be in a condition to pay abroad two billions a year without ruining her exchange, which would drop at once to the level of Germany's. Italy with difficulty could pay one billion.

France and Italy are honest countries, yet they can not pay their war creditors, and have not been able, and are not able, to pay any share of their debt either to the United States of America or to Great Britain. As a matter of fact, up to the present they have paid nothing, and the interest continues to accumulate with the capital.

Why have neither France nor Italy yet started to pay some of their debt? Having won the war, France has had all she could have—fertile territories, new colonies, an abundance of raw material, and above all iron and potash. The simple explanation is that which I have given above.

Can, then, Germany, who is in a terrible condition, whose circulation promises ruin, who has no longer credits nor organization abroad, who has a great shortage in raw materials; can Germany pay four or five billions a year?

We must also remember that Germany, in addi-

tion to the indemnity, must pay the cost of the Army of Occupation, which up to the present has amounted to twenty-five billions of paper marks a year, or more than 1,600 billions of francs at par. That is, Germany has to bear for the support of the Allied troops a charge equal to the cost of maintaining the armies of France, Italy and Belgium before the war.

On the 19th of September, 1921, the German minister of finance presented to the Reichstag a report which shows that the expenses for the occupation are calculated at 408,574,608 gold marks every three months, which means more than a million and a half gold marks a year, and in figures, 1,634,298,432 marks.

In this sum there were not included the expenses paid by the German Government because of the demands of troops and of military authorities in the occupied zone, expenses which amounted to several billion paper marks.

The balance sheet of the German Empire for 1914 provided for an ordinary outlay of 870,000,000 marks and an extraordinary budget of 338,000,000, 1,208,-000,000 marks in all; and for the navy, ordinary expenses of 221,000,000 marks and an extraordinary of 235,000,000, or in all, 456,000,000 marks.

In other words, the occupation of the Rhine which is now carried on practically and in large part by France costs double the ordinary expenses of the German Army and a sum equivalent to all the ordinary and extraordinary expenses for the army and the navy before the war.

While Germany is helpless and while France has

an army larger than any state in Europe has ever had in peace times, France, through the occupation of the Rhine, has arranged that this army should be paid for by Germany.

And as the final insult to the conquered in the Army of Occupation backward races are represented. Thus the most cultured cities in Europe have been and are under negro violence which has been guilty of the most serious crimes. The German population has been subjected, unnecessarily and in order to satisfy the desire to offend, to physical and moral trials unknown for centuries in civilized countries. In April of 1921 there were still on the Rhine fourteen or fifteen colored regiments, nine to ten from Algeria, two from Tunis, three from Morocco, and one from Madagascar. There still remain, after the departure of two Senegalese regiments, some negro detachments. Documents have shown at length what outrages have been perpetrated by the troops of occupation and what crimes the negroes have committed. Henceforth everybody knows that the occupation has no military aim, but (like the confiscation of the Saar coal and the pretext of enormous indemnities and the splitting up of Upper Silesia) only one aim is kept in view: Germany must be forced to the point of moral exhaustion and her unity in sentiment, and indeed even her political unity, broken.

In war, all violence and cruelty can not be justified but at least can be explained. But when traditional sentiments and respect for others no longer exist, all

the instincts of violence are given free play. There has never been a war which has not resulted in certain outbreaks of violent instincts. But what is now happening in peace times has no parallel in modern history. For some centuries back no country in Europe soiled itself with the guilt or contaminated itself with the absurdities of the victorious Entente, and in the hour of danger the Entente had proclaimed that she desired the triumph of the principles of democracy and liberty.

War has its ups and downs; the conquerors of to-day are the conquered of to-morrow. Who can foresee the future? To have abused victory in peace and to have reintroduced methods of violence which are a discredit to civilization rests with the Entente alone.

If England had lost the war or if the United States had been conquered, I can not imagine what they would say about a conquering Germany which had had Liverpool, New York, and the principal ports and industrial centers occupied by black savages and by whites clamoring for indemnities so high that there was no remote possibility of their ever being satisfied. The truth is that Germany and the conquered countries in the peace after their victory have never committed any of the absurd actions which have deprived the conquerors of all moral prestige. And we should remember that during the war the conquerors declared (Joint Declaration of December 30, 1916) that they were united for the defense and the liberty of peoples.

In all times men have found it easier to appropriate the wealth produced by others than to produce wealth with their own labor.

Thus Europe to-day, instead of restoring peace and making an effort to re-create lost wealth, is destroying new wealth in the illusion of the conquerors, or at least of some of them, that they can live upon the efforts of the conquered.

But the economic delusions are becoming apparent and now even the blindest begin to understand the moral absurdity in which the conquerors find themselves. They have taken from the conquered everything they could and they now declare on their side that they can not discharge the obligations assumed during the war and pretend not only that the conquered shall pay but that they shall work as slaves to reconstruct the wealth of the conquerors.

No financier seriously believes that the issue of bonds authorized by the treaty for the credit of the Reparations Commission has now any probability of success. Germany's monetary circulation system is falling to the stage of assignats, and the time is not distant when, if intelligent provision is not made, Germany will not be in a position to pay any indemnity.

Obliged to pay only one billion of gold marks, Germany has not been able to find this modest sum (modest, that is, in comparison with all the dreams about the indemnity) without contracting new foreign debts and increasing her already enormous paper circulation. Each new indemnity payment,

each new debt incurred, will only place Germany in the position of being unable to make payments abroad.

Many capitalists, even in Italy, inspire their Press to state that Germany derives an advantage from the depreciation of her mark, or, in other words, is content with its low level. But the high exchanges (and in the case of Germany it amounts to ruin) render almost impossible the purchase of raw materials, of which Germany has need. With what means must she carry out her payments if she is obliged to cede a large part of her customs receipts, that is of her best form of monetary value, and if she has no longer either credits or freights abroad?

If what is happening injured Germany alone, it would be more possible to explain it, if not to justify it. But, on the contrary, Germany's fall, which is also the decadence of Europe, profoundly disturbs not only the European continent, but many other producing countries. Though the United States and Great Britain partly escape the effect, they too feel the influence of it, not only in their political serenity, but in the market of goods and values. Germany's position is bound up with that of Europe; her conquerors can not escape dire consequences if the erstwhile enemy collapses.

We must not forget that before the war, in the years 1912 and 1913, the larger part of Germany's commerce was with the United States, with Great Britain, with Russia and with Austria-Hungary. In 1913 her commerce with the United States repre-

sented alone little less than two billions and a half of marks according to the statistics of the German Empire, and 520 millions of dollars according to the figures of America. If we except Canada, which we may consider a territorial continuation, the two best customers of the United States were Great Britain and Germany. They were, moreover, the two customers whose imports largely exceeded the exports. The downfall of Germany will bring about inevitably a formidable crisis in the Anglo-Saxon countries and consequent ruin in other countries.

Up to the present Germany has given all she could; any further payment will cause a downfall without changing the actual monetary position. Germany, after a certain point, will not pay, but will drag down in her fall the economic edifices of the victorious countries of the Continent.

All attempts at force are useless, all impositions are sterile.

All this is true and can not be denied, but at the same time it must be recognized that in the first move for the indemnity there was a reasonable cause for anxiety on the part of the Allies.

If Germany had had to pay no indemnity this absurd situation would have come about, that although exhausted, Germany would have issued from the war without debts abroad and could easily have got into her stride again, while France, Italy, and in much less degree Great Britain, would have come out of the war with heavy debts.

This anxiety was not only just and well founded,

but it is easy to see why it gave ground for a feeling of grave disquiet.

France and Italy, the two big victor states of the Continent, were only able to carry on the war through the assistance of Great Britain and the United States. The war would not have lasted long without the aid of the Anglo-Saxons, which had a decisive effect.

France has obtained all she asked for, and, indeed, more than all her previsions warranted. Italy has found herself in a difficult position. She too has realized her territorial aspirations, though not completely, and the assistance of her Allies has not always been cordial.

I have had, as head of the government, to oppose all the agitations, and especially the Adriatic adventures, which have caused an acute party division in Italy. From a sense of duty I have also assumed all responsibility. But the rigidness of Wilson in the Fiume and Adriatic questions and the behavior of some of the European Allies have been perfectly unjustifiable. In certain messages to Wilson during my term of government I did not fail to bring this fact forward. Certainly, Jugo-Slavia's demands must be considered with a sense of justice, and it would have been an error and an injustice to attribute to Italy large tracts of territory in Dalmatia; but it would have been possible to find a more reasonable settlement for a country which has had such sufferings and known such losses during the war. In any case, when by the absurd system followed in

the treaties so many millions of Germans, Magyars, Turks and Bulgarians have been handed over to states like Serbia, whose intemperate behavior precipitated the war, or to states like Greece, which took only a small and obligatory part in it, when states like Poland have won their unity and independence without making war, when Germany has been dismembered in order to give Poland an access to the sea and the ridiculous situation of Danzig has been created, when the moral paradox of the Saar, which now becomes a German Alsace-Lorraine, has been set up, when so many millions of men have been parceled out without any criteria, it was particularly invidious to contest so bitterly Italy's claims. I can freely affirm this inasmuch as, risking all popularity, I have always done my duty as a statesman, pointing out that solution which time has proved to be inevitable.

No one can deny that Italy is passing through a period of crisis and political ill-health. Such states of public psychology are for peoples what neurasthenia is for individuals. On what does it depend? Often enough on reasons which can not be isolated or defined. It is a state of mind which may come to an end at any minute, and is consequent upon the after-effects of the war. Rather than coming from the economic disorder, it derives from a malady of the temperament.

I have never believed, in spite of the agitations which have been seen at certain periods, in the possibility of a revolutionary movement in Italy. Italy

is the only country which has never had religious wars, the only country which in twenty centuries has never had a real revolution. Land of an ancient civilization, prone to sudden bursts of enthusiasm, susceptible to rapid moods of discouragement, Italy, with all the infinite resources of the Latin spirit, has always overcome the most difficult crises by her wonderful adaptive power. In human history she is, perhaps, the only country where three great civilizations have risen up one after another in her limited soil. If Italy can have the minimum of coal, cereals and raw materials necessary to her existence and her economic revival, the traditional good sense of the Italian people will easily overcome a crisis which is grave, but which affects in various measure all the victors, and is especially temperamental.

It can not be denied that if all Europe is sick, Italy has its own special state of mind, which is a mixture of intolerance and illusion. Those who wished the war and those who were against it are both dissatisfied: the former because, after the war, Italy has not had the compensations she expected, and has had sufferings far greater than could have been imagined; the latter because they attribute to the war and the conduct of the war the great trials which the nation has now to face. This sickness of the spirit is the greatest cause of disorder, since malcontent is always the worst kind of leaven.

Four great countries decided the war: Great Britain, France, Italy, and the United States of America. Russia fell to pieces soon, and fell rather

on account of her own internal conditions than from enemy pressure. The action of the United States arrived late, but was decisive. Each country, however, acted from a different state of mind. France had of necessity to make war. Her territory was invaded, and all hope of salvation lay in moral resistance alone. Great Britain had to wage the war out of sense of duty. She had guaranteed the neutrality of Belgium, and could not fail to keep her word of honor. Two countries alone chose freely the sorrowful way of the war: Italy and the United States. But their sacrifices, sufferings and losses have been very different. During the war the United States have been able to develop their immense resources, and, notwithstanding some crises, they have come out of it much richer than before. From being debtors to Europe they have become creditors. They had few losses in men, and a great development in wealth. Italy, who after many difficulties had developed in her famous but too narrow territory the germs of a greater fortune, has had, together with very heavy losses in men, heavy losses in her wealth.

Italy saved the destinies of France for the first time by declaring her neutrality on August 2, 1914, and letting the certainty of it be known from July 30, as the diplomatic documents have shown.

It was that sudden and unexpected declaration of neutrality which rendered it possible for France to concentrate all her forces in the north and to win the battle of the Marne. Italy for a second time

saved the destinies of the Entente by entering into the war (too precipitately and unprepared), in May, 1915, thus preventing the Austrian Army, which was formidable for its technical organization and for its valor, from obtaining the advantages it expected.

Why did Italy go to war?

The diplomatic documents, which are not all documents of political wisdom, demonstrate the anxiety of the Italian Government to realize its Adriatic program and to gain secure frontiers against Austria-Hungary and its successors. But this was not the *cause* of the war; it was rather a means of explaining to the people the necessity for the war. Italy had been for nearly thirty-four years ally of Austria-Hungary, and the aspirations of Italy's Adriatic policy had never disturbed the relations between the two countries. The real cause of Italy's war was a sentimental movement, a form of extraordinary agitation of the spirits, brought about by the invasion of Belgium and the danger of France. The intellectual movement especially, the world of culture, partook largely in fomenting the state of exaltation which determined the war.

During the progress of the war, which was long and bitter, Italy passed through some terrible hours. Her privations during the war, and immediately after, surpassed all expectations. Italy found herself face to face with an enemy who enjoyed a superior geographical situation, a numerical superiority, as well as a superiority in artillery. After the downfall of Russia she had to support a terrible

campaign. Even in 1917, after the military disaster, when Allied troops came to Italy, she sent abroad more men than there came Allied troops to her aid. According to some statistics which I had compiled, and which I communicated to the Allies, Italy was shown, in relation to her vital statistics, to have more men in the front line than any other country. The economic sufferings were, and are, greater than those endured by others. France is only in part a Mediterranean country, while Italy is entirely so. During the war the action of the submarines rendered the victualing of Italy a very difficult matter. Many provinces, for months on end, had to content themselves with the most wretched kind of food. Taking population and wealth into proportion, if the United States had made the effort of Italy they would have had to arm sixteen millions of men, to have lost a million and a half to two million soldiers, and to have spent at least four hundred billions. In order to work up popular enthusiasm (and it was perhaps necessary), the importance of the country's Adriatic claims was exaggerated. Thus many Italians believe even to-day in good faith that the war may be considered as lost if some of these aspirations are not realized, and some of them have not been and can not be.

But, after the war, Italy's situation suddenly changed. The war had aroused in the minds of all Europeans a certain sentiment of violence, a longing for expansion and conquest. The proclamations of the Entente, the declarations of Wilson's prin-

ciples, or points, became so contorted that no trace of them could be found in the treaties, save for that ironic *covenant* of the League of Nations, which is always repeated on the front page, as Dante said of the rule of St. Benedict, *at the expense of the paper.*

For Italy a very curious situation came about. France had but one enemy: Germany. She united all her forces against this enemy in a coherent and single action which culminated in the Treaty of Versailles. France had but one idea: to make the Entente abandon the principles it had proclaimed, and try to suffocate Germany, dismember her, humiliate her by means of a military occupation, by controlling her transports, confiscating all her available wealth, by raising to the dignity of elevated and highly civilized states inferior populations without national dignity.

Austria-Hungary was composed of eleven peoples. It was split up into a series of states. Austria and Hungary were reduced to small territories and shut up in narrow confines. All the other countries were given to Rumania, to Serbia, to Poland, or else were formed into new states, such as Czecho-Slovakia. These countries were considered by the Entente as allies, and, to further good relations, the most important of the Entente nations protected their aspirations even against the wishes of Italy. The Italians had found themselves in their difficult theater of war against Galatians, Bosnians, Croats, Transylvanians, etc. But by the simple fact of their having changed names, and having called themselves

Poles, Jugo-Slavs, Rumanians, they became friends. In order to favor some of these new friends, it has happened that not only have Italy's sentiments been offended, but even justice itself. Montenegro was always mentioned in the declarations of the Entente. On January 10, 1917, Briand, speaking in the name of all the Allies, united at that time *pour la défense et la liberté des peuples,* put forward as a fundamental program the restoration of Belgium, Serbia and Montenegro: Montenegro was in this on an equality with Belgium. Just a year afterward, January 8, 1918, Wilson, when formulating his fourteen points, had included in the eleventh proposition the duty of evacuating the territories of Rumania, Serbia and Montenegro, and restoring them. The exact reason for which it was established that Montenegro should be absorbed (even without plebiscite) by the Jugo-Slav State, thus offending also Italy's sentiments, will remain one of the most melancholy pages of the New Holy Alliance that the Entente has become, along with that poor discredited organization, the League of Nations. But let us hope this latter will find a means of renovating itself.

While France was ruining the German people's sources of life, the peoples who had fought most ferociously against Italy became, through the war, friendly nations, and every aspiration of Italy appeared directed to lessen the prestige of the new friends and allies.

The territories annexed to Italy have a small economic value.

For more than thirty years Italy had sold a large part of her richest agricultural produce to Germany and had imported a considerable share of her raw materials from Russia. Since the war she has found herself in a state of regular isolation. A large part of the Italian Press, which repeats at haphazard the commonest themes of the French Press instead of wishing for a more intense revival of commercial relations with Germany, frightens the ignorant public with stories of German penetration; and the very plutocracy in France and Italy—though not to the same extent in Italy—abandons itself to the identical error. So to-day we find spread throughout the peninsula a sense of lively discontent which is conducive to a wider acceptance of the exaggerations of the Socialists and the Fascisti. But the phenomenon is a transitory one.

Italy had no feeling of rancor against the German people. She entered the war against German imperialism, and can not now follow any imperialistic policy. Indeed, in the face of the imperialistic competitions which have followed the war, Italy finds herself in a state of profound psychological uneasiness.

France worries herself about one people only, since as a matter of fact she has only one warlike race at her frontiers: Germany. Italy's frontiers touch France, the German peoples, the Slav races. It is, therefore, her interest to approve a democratic policy which allows no one of the group of combatants to take up a position of superiority. The true

Italian nationalist policy consists in being against all excessive nationalisms, and nothing is more harmful to Italy's policy than the abandonment of those democratic principles in the name of which she arose and by which she lives. If the policy of justice is a moral duty for the other nations, for Italy it is a necessity of existence. The Italian people have a clear vision of these facts, notwithstanding a certain section of her Press and notwithstanding the exaggerations of certain excited parties arisen from the ashes of the war. And therefore her uneasiness is great. While other countries have an economic crisis, Italy experiences, in addition, a mental crisis, but one with which she will be able to cope.

France, however, is in a much more difficult situation, and her policy is still a result of her anxieties. All the violences against Germany were, until the day before yesterday, an effect of hatred; to-day they are derived from dread. Moral ideas have for nations a still greater value than wealth. France had until the other day the prestige of her democratic institutions. All of us who detested the Hohenzollern dynasty and the insolent fatuity of William II loved France, heir of the bourgeois revolution and champion of democracy. So, when the war came, all the democracies felt a lively pang: the crushing of France meant the crushing of democracy and liberty. All the old bonds are broken, all the organization which Germany had abroad is smashed up, and France has been saved, not by arms alone, but by the powerful desire of free peoples.

Yet victory has taken away from France her greatest prestige, her fascination as a democratic country. Now all the democratic races of the world look at France with an eye of distrust—some, indeed, with rancor; others with hate. France has comported herself much more crudely toward Germany than a victorious Germany would have comported herself toward France. In the case of Russia, she has followed purely plutocratic tendencies. She has on foot the largest army in the world in front of a helpless Germany. She sends colored troops to occupy the most cultured and progressive cities of Germany, abusing the fruits of victory. She shows no respect for the principle of nationality or for the right of self-determination.

Germany is in a helpless and broken condition today; she will not make war; she can not. But if to-morrow she should make war, how many peoples would come to France's aid?

The policy which has set the people of Europe against one another, the diffusion of nationalist violence, the crude persecutions of enemies, excluded even from the League of Nations, have created an atmosphere of distrust of France. Admirable in her political sense, France, by reason of an error of exaltation, has lost almost all the benefit of her victorious action.

A situation hedged with difficulties has been brought about. The United States and Great Britain have no longer any treaty of alliance of guarantee with France. The Anglo-Saxons, conquerors of the

war and the peace, have drawn themselves aside. Italy has no alliance and can not have any. No Italian politician could pledge his country, and Parliament only desires that Italy follow a democratic, peaceful policy, maintaining herself in Europe as a force for equilibrium and life.

France, apart from her military alliance with Belgium, has a whole system of alliances based largely on the newly formed states: shifting sands like Poland, Russia's and Germany's enemy, whose fate no one can prophesy when Germany is reconstructed and Russia risen again, unless she finds a way of remedying her present mistakes, which are much more numerous than her past misfortunes. Thus the more France increases her army, the more she corners raw materials and increases her measures against Germany, the more restless she becomes.

She has seen that Germany, mistress on land, and to a large extent on the seas, after having carried everywhere her victorious flag, after having organized her commerce and, by means of her bankers, merchants and capitalists, made vast expansions and placed a regular network of relations and intrigue round the earth, fell when she attempted her act of imperialistic violence. France, when in difficulties, appealed to the sentiment of the nations and found arms everywhere to help her. What then is clever organization worth to-day?

The fluctuations of fortune in Europe show for all her peoples a succession of victories and defeats. There are no peoples always victorious. After hav-

ing, under Napoleon I, humiliated Germany, France saw the end of her imperialistic dream, and later witnessed the ruin of Napoleon III. She has suffered two great defeats, and then, when she stood diminished in stature before a Germany at the top of her fortune, she, together with the Allies, has had a victory over an enemy who seemed invincible.

But no one can foresee the future. To have conveyed great nuclei of German populations to the Slav States, and especially to Poland; to have divided the Magyars, without any consideration for their fine race, among the Rumanians, Czecho-Slovaks and the Jugo-Slavs; to have used every kind of violence with the Bulgars; to have offended Turkey on any and every pretext; to have done this is not to have guaranteed the victory and the peace.

Russia sooner or later will recover. It is an illusion to suppose that Great Britain, France and Italy can form an agreement to regulate the new state or new states that will arise in Russia. There are too many tendencies and diverse interests. Germany, too, will reconstruct herself after a series of sorrows and privations, and no one can say how the Germans will behave. Unless a policy of peace and social renovation be shaped and followed, our sons will witness scenes much more terrible than those which have horrified our generation and upset our minds even more than our interests.

Meanwhile, in spite of the frightful increase of scrofula, rickets and tuberculosis, from which the conquered peoples are principally suffering, the

march of the nations will proceed according to the laws which have hitherto ruled them and on which our limited action can only for brief periods cause small modifications or alterations.

Forecasts based on vital statistics, like all forecasts of social events, have but a comparative value. It is true that such statistics are based upon manifestations, but it is also true that economic and social factors exercise a profound influence in limiting their regularity and can disturb them very considerably. It is better therefore not to make long-term prophecies.

What is certain is that the French population has increased almost imperceptibly while the population of Germany augmented very rapidly. The annual average of births in the five years before the war, 1908-13, was 762,000 in France and 176,000 in Belgium. In Germany it was 1,916,000. The average of deaths was 729,000 in France, 117,000 in Belgium, and 1,073,000 in Germany. Thus, per thousand, the excess of births in France was 0.9, in Belgium 7.7, in Germany 13. The war has terribly aggravated the situation in France, whose structure is far from being a healthy one. From statistics published giving the first results of the French census of 1921—without the new territory of Alsace-Lorraine—France, in the interval between the two census periods, has decreased by 2,102,864; from 39,602,258 to 37,499,394 (1921). The deaths in the war do not represent a half of this decrease, when are deducted the losses among the colored troops and those from

French colonies who fought for France. The new territories annexed to France do not compensate for the war mortality and the decrease in births.

We may presume that if normal conditions of life return, the population of Germany and German-Austria will be more than one hundred millions, that the population of Belgium altogether little less than fifty millions, that Italy will have a population much greater than that of France, of at least forty-five million inhabitants, and that Great Britain will have about sixty million inhabitants. In the case of the Germans we have mentioned one hundred million persons, taking into consideration Germany and German-Austria. But the Germans of Poland, of Czecho-Slovakia and the Baltic States will amount to at least twenty millions of inhabitants. No one can make forecasts, even of an approximate nature, on Russia, whose fecundity is always the highest in Europe, and whose losses are rapidly replaced by a high birth-rate even after the greatest catastrophes. And then there are the Germans spread about the world, great aggregations of population as in the United States of America and in a lesser degree in Brazil. Up to the present these people have been silent, not only because they were surrounded by hostile populations, but because the accusation of being sons of the Huns weighed down upon them more than any danger of the war. But the Treaty of Versailles, and more still the manner in which it has been applied, is to dissipate, and soon will entirely dissipate, the atmosphere of antipathy that

existed against the Germans. In Great Britain the situation has changed profoundly in three years. The United States have made their separate peace and want no responsibility. In Italy there scarcely exists any hatred for the Germans, and apart from certain capitalists who paint in lurid colors the danger of German penetration in their papers because they want higher tariff protection and to be able to speculate on government orders, there is no one who does not desire peace with all peoples. The great majority of the Italian people only desire to reconstruct the economic and social life of the nation.

Certain tendencies in France's policy depend perhaps on her great anxiety for the future, an anxiety, in fact, not unjustified by the lessons of the past. Germany, notwithstanding her fallen state, her anguish and the torment she has to go through, is so strong and vital that everybody is certain of seeing her once again powerful, indeed more powerful and formidable than ever.

Every one in France is convinced that the Treaty of Versailles has lost all foundation since the United States of America abandoned it, and since Great Britain and Italy, persuaded of the impossibility of putting certain clauses into effect, have shown by their attitude that they are not disposed to entertain coercive measures which are as useless as they are damaging.

In France the very authors of the Treaty of Versailles recognize that it is weakened by a series of

successive attenuations. Tardieu has asserted that the Treaty of Versailles tends to be abandoned on all sides: "*Cette faillite a des causes allemandes, des causes alliés, des causes françaises.*" The United States has asked itself, after the trouble that has followed the treaty, if wisdom did not lie in the old time isolation, in Washington's farewell address, in the Monroe Doctrine: *Keep off.* But in America they have not understood, says Tardieu, that to assist Europe the same solidarity was necessary that existed during the war.

Great Britain, according to Tardieu, tends now also to stand aside. The English are inclined to say, "Let's not talk about it,"—"*N'en parlons plus.*" No Frenchman will accept with calm the manner in which Lloyd George has conceived the execution of the peace treaty. The campaign for the revision of the treaties that sprang up in lower spheres and from popular associations and workmen's groups, has surprised and saddened the French spirit. In the new developments Tardieu wonders whether it is another England or another Lloyd George—"*était ce une autre Angleterre, était ce un autre Lloyd George?*" Even in France herself Tardieu recognizes sadly the language has altered: "*les gouvernements français, qui se sont succédé au pouvoir depuis le* 10 *janvier,* 1920," that is, after the fall of Clemenceau, accused in turn by Poincaré of being weak and feeble in asserting his demands, "*ont compromis les droits que leur prédecesseur avait fait reconnaitre à la France.*"

Taking into consideration Germany's financial downfall, which threatens to upset not only all the indemnity schemes but the entire economy of Continental Europe, the state of mind which is prevalent is not much different from that which Tardieu indicates.

It is already more than a year ago since I left the direction of the Italian Government, and the French Press no longer accused me of being in perfect agreement with Lloyd George, yet Poincaré wrote on August 1, 1920:

> The other day Mr. Asquith stated, before the House of Commons, "Whatever kind of language one employs, the Conference of Spa has actually been a conference for the revision of the conditions of the Treaty." "Stop!" said Lloyd George. "That is a very grave statement considering the effect which it may produce in France. I can not allow it to pass without contradicting it." A contradiction made formally, merely as a courtesy to us, which, unfortunately, does not change at all the substance of things. Each time the Supreme Council met, they left on the table of the Resolutions some scattered bits of the Treaty.

No kind of high-handedness, no combined effort, will ever be able to keep afloat absurdities like the dream of the vast indemnity, the Polish program, the hope of annexing the Saar, etc. As things go there is almost more danger for the victors than for the vanquished. He who has lost all has nothing to lose. It is rather the victorious nations who risk all

in this disorganized Europe of ours. The conquerors arm themselves in the ratio by which the vanquished disarm, and the worse the situation of our old enemies becomes, so much the worse become the exchanges and the credits of the victorious Continental countries.

Yet, in some of the exaggerated ideas of France and other countries of the Entente, there is not only the rancor and anxiety for the future, but a sentiment of well-founded suspicion. After the war the European States belonging to the Entente have been embarrassed not only on account of the enormous internal debts, but also for the huge debts contracted abroad.

If Germany had not had to pay any indemnity and had not lost her colonies and merchant marine we should have been confronted with the absurd paradox that the victorious nations would have issued from the war worn out, with their territories destroyed, and with a huge foreign debt; Germany would have had her territory quite intact, her industries ready to begin work again, herself anxious to start again her productive force, and in addition with no foreign debt, consequently ample credit abroad. In the mad struggle to break up Germany there was involved not only hatred, but also a quite reasonable anxiety which, after all, must be taken into consideration.

Even to-day, three years after the war, Great Britain has not paid her debt to America, and France and Italy have not paid their debts to Amer-

ica and Great Britain. Great Britain could pay with a great effort; France and Italy can not pay anyhow.

According to the accounts of the American Treasury the Allies' war debt is 9,565 millions of dollars; 4,277 millions owing from Great Britain, 2,977 millions from France, 1,648 millions from Italy, 349 millions from Belgium, 187 millions from Russia, 61 millions from Czecho-Slovakia, 26 millions from Serbia, 25 millions from Rumania, and 15 millions from Greece. Up to last July, Great Britain had paid back 110 millions of dollars. Since the spring of 1919 the payment of the interest on the amounts due to the American Treasury has been suspended by some European States. Between October and November, 1919, the amount of the capitalizing and unpaid interests of the European States came to 236 million dollars. The figure has considerably increased since then.

According to the *Statist* (August 6, 1921), the Allies' debt to the United States on March 31, 1921, amounted to 10,959 million dollars, including the interests, in which sum Great Britain was interested to the amount of 4,775 million dollars and France for 3,351 million dollars. But the *Statist's* figures, in variance to the official figures, include other debts than strictly war debts.

The debts of the various Allied countries to Great Britain on March 31, 1921, according to a schedule annexed to the financial statement for 1921-22, published by the British Treasury, came to £1,776,000,-

000, distributed as follows: France 557 millions, Italy 476 millions, Russia 561 millions, Belgium 94 millions, Serbia 22 millions, Portugal, Rumania, Greece and other Allies 66 millions. This sum represents war debts. But to it must be added the £9,900,000 given by Great Britain for the reconstruction of Belgium and the loans granted by her for relief to an amount of £16,000,000. So, altogether, Great Britain's credit to the Allies on March 31, 1921, was £1,803,800,000, and has since been increased by the interests. Great Britain had also at the same date a credit of £144,000,000 to her dominions.

France has credit of little less than nine billion francs, of which 875 millions is from Italy, four billions from Russia, 2,250 millions from Belgium, 500 millions from the Jugo-Slavs, and 1,250 millions from other Allies. Italy has only small credits of no account.

Now this situation, by reason of which the victorious countries of Europe are heavy debtors (France has a foreign debt of nearly 30 billions, and Italy a debt of more than 20 billions) in comparison with Germany, which came out of the war without any debt, has created a certain amount of bad feeling. Germany would have got on her feet again quicker than the victors if she had no indemnity to pay and had no foreign debts to settle.

France's anxieties in this matter are perfectly legitimate and must be most seriously considered without, however, producing the enormities of the Treaty of Versailles.

Assuming this, the situation may be stated in the following terms:

1. All the illusions as to the capacity of Germany being able to pay have fallen to pieces, and the indemnities, after the absurd demands which tended to consider as inadequate the figure of three hundred and fifty billions and an annual payment of from ten to fifteen billions have become an anxious unknown quantity, as troublesome to the victors as to the vanquished. The German currency has lost all control under the force of internal needs, and Germany is threatened with failure. The other debtors—Austria-Hungary, Turkey, Bulgaria—have need of succor, and can pay nothing. Austria has need of the most indispensable objects of existence, and everything is lacking.

2. The indemnity which Germany can pay annually in her present condition can not, calculating goods and cash payments altogether, represent more than two or three billions at the most.

3. The victorious countries, such as France, have won immense territories and great benefits, yet they have not been able to pay the war debts contracted abroad, and not even the interests. France and Italy, being countries of good faith, have demonstrated that, if they can not pay, it is absurd to demand the payment of much higher sums from countries like Germany, which has lost almost all her best resources: merchant fleet, colonies and foreign organization, etc.

4. The danger exists that with the aggravation

of the situation in the vanquished countries and the weakening of the economic structure of Europe, the vanquished countries will drag the victor down with them to ruin, while the Anglo-Saxon peoples, standing apart from Continental Europe, will detach themselves more and more from its policy.

5. The situation which has come about is a reason for every one to be anxious, and threatens both the downfall of the vanquished and the almost inevitable ruin of the victors, unless a way is found of reconstructing the moral unity of Europe and the solidarity of economic life.

VI

EUROPE'S POST-WAR RECONSTRUCTION AND PEACE POLICY

No right-thinking person has nowadays any doubt as to the profound injustice of the Treaty of Versailles and of all the treaties which are derived from it. But this fact is of small importance, inasmuch as it is not justice or injustice that regulates the relations between nations, but their interests and sentiments. In the past we have seen Christian peoples, transplanted to America, maintain the necessity of slavery, and we have seen, and continue to see every day, methods of reasoning which, when used by the defeated enemy were declared to be fallacious and wrong, become in turn, when varied only in form, the ideas and the customary life of the conquerors in the war—ideas which then assume the quality of liberal expressions of democracy.

If appeals to the noblest human sentiments are not made in vain (and no effort of goodness or generosity is ever sterile), the conviction which is gradually forming itself, even in the least receptive minds, that the treaties of peace are inapplicable, as harmful to the conquerors as to the conquered, gains in force. For the treaties are at one and the same time a

menace for the conquerors and a paralysis of all activity on the part of the conquered, since once the economic unity of Continental Europe is broken the resultant depression becomes inevitable.

If many errors have been committed, many errors were inevitable. What we must try to do now is to limit the consequences of these mistakes in a changed spirit. To reconstruct where we see only ruins is the most evident necessity. We must also try to sow among the nations which have won the war together and suffered together the least amount of distrust possible. As it is, the United States, Great Britain, France, Italy, Japan, all go their own way. France has obtained her maximum of concessions, including those of least use to her, but never before has the world seen her so spiritually isolated as after the treaties of Paris.

What is most urgently required at the moment is to change the prevalent war mentality which still infects us and overcomes all generous sentiments, all hopes of unity. The statement that war makes men better or worse is, perhaps, an exaggerated one. War, which creates a state of exaltation, hypertrophies all the qualities, all the tendencies, be they for good or for evil. Ascetic souls, spirits naturally noble, being disposed toward sacrifice, develop a state of exaltation and true fervor. How many examples of nobility, of abnegation, of voluntary martyrdom has not the war given us? But in persons disposed to evil actions, in rude and violent spirits (and these are always in the majority), the

spirit of violence increases. This spirit, which among the intellectuals takes the form of arrogance and concupiscence, and in politics expresses itself in a policy of conquest, assumes in the crowd the most violent forms of class war, continuous assaults upon the power of the state, and an unbalanced desire to gain as much as possible with the least possible work.

Before the war the number of men ready to take the law into their own hands was relatively small; now there are many such individuals. The various nations, even those most advanced, can not boast a moral progress comparable with their intellectual development. The explosion of sentiments of violence has created in the period after the war in most countries an atmosphere which one may call unbreathable. Peoples accustomed to be dominated and to serve have come to believe that, having become dominators in their turn, they have the right to use every kind of violence against their overlords of yesterday. Are not the injustices of the Poles against the Germans, and those of the Rumanians against the Magyars, a proof of this state of mind? Even in the most civilized countries many rules of order and discipline have gone by the board.

After all the great wars a condition of torpor, of unwillingness to work, together with a certain rudeness in social relations, has always been noticed.

The War of 1870 was a little war in comparison with the cataclysm let loose by the European War. Yet then the conquered country had its attempt at

Bolshevism, which in those days was called the Commune, and the fall of its political régime. In the conquering country we witnessed, together with the rapid development of industrial groups, a quick growth in Socialism and the constitution of great parties like the Catholic Center. *Mutatis mutandis*, the same situation has shown itself after the European War.

What is most urgently necessary, therefore, is to effect a return to peace sentiments, and in the manifestations of government to abandon those attitudes which in the peaces of Paris had their roots in hate.

I have tried, as premier of Italy, as writer, and as politician, to regulate my actions by this principle. In the first months of 1920 I gave instructions to Italy's ambassador in Vienna, the Marquis della Torretta, to arrange a meeting between himself and Chancellor Renner, head of the Government of Vienna. So the chief of the conquered country came, together with his ministers, to greet the head of the conquering country, and there was no word that could record in any way the past hatred and the ancient rancor. All the conversation was of the necessity for reconstruction and for the development of fresh currents of life and commercial activity. The government of Italy helped the government of Austria in so far as was possible. And in so acting, I felt I was doing better work for the greatness of my country than I could possibly have done by any kind of stolid persecution. I felt that over and beyond our competition there existed the human sor-

row of nations for whom we must avoid fresh shedding of blood and fresh wars. Had I not left the government, it was my intention not only to continue in this path, but also to intensify my efforts in this direction.

The banal idea that there exist in Europe two groups of nations, one of which stands for violence and barbarism—the Germans, the Magyars and the Bulgarians—while the other group of Anglo-Saxons and Latins represents civilization, must not continue to be repeated, because not only is it an outrage on truth but an outrage on honesty. Many of the noblest and greatest works of the human spirit we owe to Germany, and without her Europe can not be prosperous or tranquil.

Always to repeat that the Germans are not adapted to a democratic régime is neither just nor true. Nor is it true that Germany is an essentially warlike country, and therefore different from all other lands. In the last three centuries France and England have fought many more wars than Germany. One must read the books of the Napoleonic period to see with what disdain pacificist Germany is referred to—that country of peasants, waiters and philosophers. It is sufficient to read the works of German writers, including Treitschke himself, to perceive for what a long period of time the German lands, anxious for peace, have considered France as the country always eager for war and conquest.

Not only am I of the opinion that Germany is a land suited for democratic institutions, but I be-

lieve that since the fall of the empire democratic principles have a wider prevalence there than in any other country of Europe. The resistance offered to the peace of Versailles—that is, to disorganization—may be claimed as a merit for the democratic parties, which, if they are loyally assisted by the States of the Entente, can not only develop themselves but establish a great and noble democracy.

Germany has accustomed us in history to the most remarkable surprises. A century and a half ago she was considered as a pacificist nation without national spirit. She has since then become a warlike country with the most pronounced national spirit. Early in the seventeenth century there were in Germany more than one hundred territories and independent states. There was no true national consciousness, and not even the violence of the Napoleonic wars, a century after, sufficed to awaken it. What was required was a regular effort of thought, a sustained program of action on the part of men like Wolff, Fichte and Hegel to awaken a national consciousness. Fifty years earlier no one would have believed in the possibility of a Germany united and compact in her national sentiment. Germany passed from the widest decentralization to the greatest concentration and the intensest national life. Germany will also be a democratic country if the violence of her ancient enemies does not drive her into a state of exaltation which will tend to render minds and spirits favorable to a return to the old régime.

To arrive at peace we must first of all desire peace. We must no longer carry on conversations by means of military missions, but by means of ambassadors and diplomatic representatives.

1.—The League of Nations and the Participation of the Vanquished

A great step toward peace may be made by admitting at once all ex-enemy states into the League of Nations. Among the states of European civilization at least 350 millions of persons are unrepresented in the League of Nations: the United States, who has not wished to adhere to it after the Treaty of Versailles sanctioned violence; Russia, who has not been able to join owing to her difficult position. Austria and Bulgaria have been permitted to join the League with a vote in the Assembly. Hungary had made the request to the Assembly in 1921 but immediately thereafter withdrew it. Germany has not asked to join the League of Nations since she does not wish to be humiliated by being regarded with suspicion as a small people, and the League furthermore, after the decision about Upper Silesia, has lost some of the little prestige which still remained to it. The League of Nations was a magnificent conception in which I have had faith, and which I have regarded with sympathy. But a formidable mistake has deprived it of all prestige. Clauses 5 and 10 of its originating constitution and the exclusion of the defeated have given it at once

the character of a kind of Holy Alliance of the conquerors established to regulate the incredible relations which the treaties have created between conquerors and conquered. Wilson had already committed the mistake of founding the League of Nations without first defining the nations and leaving to chance the resources of the beaten peoples and their populations. The day, however, on which all the peoples are represented in the League, the United States, without approving the treaties of Versailles, St. Germain or Trianon, etc., will feel the need of abandoning their isolation, which is harmful for them and places them in a position of inferiority. And on the day when all the peoples of the world are represented, and accept reciprocal pledges of international solidarity, a great step will have been taken.

As things stand, the organism of the Reparations Commission, established by Schedule 2 of Part VIII of the Treaty of Versailles, is an absurd union of the conquerors (no longer allies, but reunited solely in a kind of bankruptcy procedure), who interpret the treaty in their own fashion, and can even modify the laws and regulations in the conquered countries. The existence of such an institution among civilized peoples ought to be an impossibility. Its powers must be transferred to the League of Nations in such a manner as to provide guarantees for the victors, but guarantees also for the conquered. The suppression of the Reparations Commission becomes, therefore, a fundamental necessity.

2.—The Revision of the Treaties

When the public, and especially in the United States and Great Britain, become convinced that the spirit of peace can only prevail by means of an honest revision of the treaties the difficulties will be easily eliminated. But one can not merely speak of a simple revision; it would be a cure worse than the evil. During the tempest one can not abandon the storm-beaten ship and cross over to a safer vessel. It is necessary to return into harbor and make the transhipment where calm, or relative calm at any rate, reigns.

Inasmuch as Europe is out of equilibrium, a settlement, even of a bad kind, can not be arrived at offhand. To cast down the present political scaffolding without having built anything would be an error. Perhaps here the method that will prove most efficacious is to entrust the League of Nations with the task of arriving at a revision. When the League of Nations is charged with this work the various governments will send their best politicians, and the discussion will be able to assume a realizable character.

According to its constitution, the League of Nations may, in case of war or the menace of war (Clause 11), convoke its members, and take all the measures required to safeguard the peace of the nations. All the adhering states have recognized their obligation to submit all controversies to arbitration, and that in any case they have no right to resort to

war before the expiration of a term of three months after the verdict of the arbiters or the report of the Council (Clause 12). Any member of the League of Nations resorting to war contrary to the undertakings of the treaty which constitutes the League is, *ipso facto,* considered as if he had committed an act of war against all the other members of the League (Clause 16).

But more important still is the fact that the Assembly of the League of Nations may invite its members to proceed to a fresh examination of treaties that become inapplicable, as well as of international situations whose prolongation might imperil the peace of the world (Clause 19).

We may therefore revise the present treaties without violence and without destroying them.

It is not necessary to say what must be modified, inasmuch as all the matter of this book supplies the evidence and the proof. What is certain is that in Europe and America, except for an intransigent movement running strong in France, every one is convinced of the necessity of revision.

It will be well that this revision should take place through the operations of the League of Nations after the representatives of all the states, conquerors, conquered and neutrals, have come to form part of it.

But in the constitution of the League of Nations there are two clauses which form its fundamental weakness, sections desired by France, whose gravity escaped Wilson.

Clause 5 declares that, save and excepting contrary dispositions, the decisions of the Assembly or of the Council are to be by the unanimous consent of the members represented at the meetings. It is difficult to imagine anything more absurd. If the modification of a territorial situation is being discussed, all the nations must agree as to the solution, including the interested nation. The League of Nations is convinced that the Danzig corridor is an absurdity, but if France is not of the same opinion no modification can be made. Without a change of this clause, every honest attempt at revision must necessarily break down.

Clause 10, by which the members of the League of Nations pledge themselves to respect and preserve from external aggression the territorial integrity and the existing politicial independence of all the members of the League, must also be altered. This clause, which is profoundly immoral, consecrates and perpetuates the mistakes and faults of the treaties. No honest country can guarantee the territorial integrity of the states now existing after the monstrous parceling out of entire groups of Germans and Magyars to other nations, arranged without scruples and without intelligence. No one can honestly guarantee the territorial integrity of Poland as it stands at present. If a new-risen Russia, a renewed Germany, and an unextinguished Austria desire in the future a revision of the treaties they will be making a most reasonable demand to which no civilized country may make objection. It

is indeed Clauses 5 and 10 which have deprived the constitution of the League of Nations of all moral credit, which have transformed it into an instrument of oppression for the victors, which have caused the just and profound disapproval of the most enlightened men of the American Senate. A League of Nations with Clauses 5 and 10 and the prolonged exclusion of the vanquished can not but accentuate the criticisms made by all democracies and the aversion of the masses.

But the League of Nations can be altered and can become indeed a great force for reconstruction if the problem of its functioning be clearly confronted and promptly resolved.

The League of Nations can become a great guarantee for peace on three conditions:

(*a*) That it include really and in the shortest space of time possible all the peoples, conquerors, conquered and neutrals.

(*b*) That Clauses 5 and 10 be modified, and that after their modification a revision of the treaties be undertaken.

(*c*) That the Reparations Commission be abolished and its powers be conferred upon the League of Nations itself.

As it exists at present the League of Nations has neither prestige nor dignity; it is an expression of the violence of the conquering group of nations. But reconstituted and renovated it may become the greatest of peace factors in the relations between the peoples.

3.—The Safety of France and the Military Guarantees

In the state of mind which prevails at present France has just cause for being uneasy about the future. Since the conclusion of the war the United States of America have withdrawn. They concern themselves with Europe no more, or only in a very limited form and with distrust. The Monroe Doctrine has come into its own again. Great Britain watches the decadence of the European Continent, but, girt by the sea, has nothing to fear. She is a country of Europe, but she does not live the life of Europe; she stands apart from it. Italy, when she has overcome the difficulties of her economic situation, can be certain of her future. The very fact that she stands in direct opposition to no state, that she may have competition with various peoples but not long-nurtured hatreds, gives Italy a relative security. But France, who has been in less than forty-four years twice at war with Germany, has little security for her future. Germany and the Germanic races increase rapidly in number. France does not increase. France, notwithstanding the new territories, after her war losses, has probably less inhabitants than in 1914. In her almost tormented anxiety to destroy Germany we see her dread for the future —more indeed than mere hatred. To occupy with numerous troops the left bank of the Rhine and the bridgeheads is an act of vengeance; but in the vengeance there is also anxiety. There are many in France who think that neither now nor after fifteen

years must the territory of the vanquished be abandoned. And so France maintains in effective force too large an army and nourishes too great a rancor. And for this reason she helps the Poles in their unjustifiable attempt in Upper Silesia, will not allow the Germans of Austria to live, and seeks to provoke and facilitate all movements and political actions which can tend toward the dismemberment of Germany.

The British and the Italian view-points are essentially different. France, which knows it can no longer count on the cooperation of Great Britain, of the United States, or of Italy, keeps on foot her large army, has allied herself with Belgium and Poland, and tries to strangle Germany in a ring of iron. The attempt is a vain one and destined to fail within a few years, inasmuch as France's allies have no capacity for resistance. Yet, all the same, her attempt is derived from a feeling that is not only justifiable but just.

France had obtained at Paris, apart from the occupation of the left bank of the Rhine and all the military controls, two guaranteeing treaties from the United States and from Great Britain: in case of unprovoked aggression on the part of Germany, Great Britain and the United States pledged themselves to defend France. The British Parliament, as we have seen, approved the treaty provisionally on the similar approbation of the United States. But as the latter has not approved the Treaty of Versailles, and has not even discussed the guarantee treaty, France has now no guarantee treaty.

If we are anxious to realize a peace politic two things are necessary:

1. That France has security, and that for twenty years at least Great Britain and Italy pledge themselves to defend her in case of aggression.

2. That the measures for the disarmament of the conquered states be maintained, maybe with some tempering of their conditions, and that their execution and control be entrusted with the amplest powers to the League of Nations.

No one can think it unjust that the parties who provoked the war or those who have, if not the entire, at least the greatest share of responsibility, should be rendered for a certain time harmless. The fall of the military caste in Germany and the formation of a democratic society will derive much help from the abolition, for a not too brief period of time, of the permanent army, and this will render possible, at no distant date, an effective reduction of the armaments in the victorious countries.

Great Britain has the moral duty to proffer a guarantee already spontaneously given. Italy also must give such a guarantee if she wishes truly to contribute toward the peace of Europe.

As long as Germany has no fleet, and can not put together an artillery and an aviation corps, she can not represent a threat.

Great Britain and Italy can, however, only give their guarantees on the condition that they guarantee a proper state of things and not a continued condition of violence. The withdrawal of all the troops

from the Rhine ought to coincide with a clear definition concerning the fate of the Germans of Austria and the Germans detached from Germany without motive. Such a retirement must coincide with the definition of the territory of the Saar, and the assigning, pure and simple, of Upper Silesia to Germany and the end of all the insupportable controls and the indemnity regulations.

Although I am myself opposed to any pledge binding Italy for too long a period, I am of opinion that it is perfectly right that Great Britain and Italy should make this sacrifice for the peace of Europe.

But no guarantee is possible, either for Great Britain or Italy, until the most essential problems be resolved in the justest manner by means of straightforward and explicit understandings.

Italy's leaning toward British policy on the Continent of Europe depends on the fact that Great Britain has never wished or tolerated that any Continental state should have a hegemony over others. And, therefore, she has found herself at different epochs ranged against France, Germany and Russia.

England is in the Mediterranean solely to secure her passage through it, not to dominate it. She continues to follow the great policy by which she has transformed her colonies into dominions, and, in spite of errors, she has always shown the greatest respect for the liberty of other peoples.

But Europe will not have peace until the three progressive countries of the Continent, Germany,

France and Italy, find a way of agreement which can reunite all their energies in one common effort.

Russia has conceived the idea of having the hegemony of Europe; Germany has indeed had the illusion of such a hegemony. Now this illusion penetrates certain French elements. Can a people of forty million inhabitants, who are not increasing, who already find difficulties in dominating and controlling their immense colonies, aspire to hegemonic action, even taking count of their great political prestige? Can France lastingly dominate and menace a country like Germany, which at no distant date will have a population double that of France?

The future of European civilization requires that Germany, France and Italy, after so much disaster, find a common road to travel.

The first step to be taken is to give security of existence and of reconstruction to Germany; the second, to guarantee France from the perils of a not distant future; the third, to find at all costs a means of accord between Germany, France and Italy.

But only vast popular movements and great currents of thought and of life can work effectively in those cases where the labors of politicians have revealed themselves as characterized by uncertainty and as being too traditional. Europe is still under the dominion of old spirits which often enough dwell in young bodies and, therefore, unite old errors with violence. A great movement can only come from the intellectuals of the countries most menaced and from fresh popular energies.

4.—Regulating Inter-Allied Debts, Germany's Indemnity and That of the Defeated Countries

These two problems are closely connected.

The victorious countries demand an indemnity from the conquered countries which, except Germany, who has a great productive force even in her hour of difficulties, are in extreme depression and misery.

Great Britain is in debt to the United States, and France, Italy and minor nations are in their turn heavy debtors to the Americans and to Great Britain.

The experience of the last three years has shown that, even with the best will, none of the countries owing money to the Entente has been able to pay its debts or even the interest. With an effort Great Britain could pay; France and Italy will never be able to, and have, moreover, exchanges which constitute a real menace for the future of each.

The fact that France and Italy, although they came out of the war victoriously, have not been able to pay their debts or even the interest on them is the proof that Germany, whose best resources have been taken away from her, can only pay an indemnity very different from the fantastic figures put forward at the time of the Conference of Paris, when even important political men spoke of monstrous and ridiculous indemnities.

The problem of the Inter-Allied debts, as well as that of the indemnity, will be solved by a certain

sacrifice on the part of all who participated in the war.

The credits of the United States amount to almost 48 billions of lire or francs at par, and the credits of Great Britain to 44 billions. Great Britain owes about 21 billions to the United States and is in turn creditor for some 44 billions. She has a bad debt owing from Russia for more than 14 billions, but 13 billions are owing from France, about 12 billions from Italy, and almost 2½ billions from Belgium. Great Britain, in other words, could well pay her debt to the United States, ceding the greater part of her credits toward France and Italy.

But the truth is that, while on the subject of the German indemnities, stolid illusions continue to be propagated (perhaps now with greater discretion), neither France nor Italy is in a position to pay its debts.

The most honest solution, which, intelligently enough, J. M. Keynes has seen from the first, is that each of the Inter-Allied countries should renounce its state credits toward countries that were allies or associates during the war. The United States of America are creditors only; Great Britain has lent double what she has borrowed. France has received on loan three times as much as she has lent to others.

The credits of France are for almost two-thirds credits on which she can not draw; the credits of Great Britain, since 14 billions are in Russia, may, to the extent of a third, be written off as bad debts. The true and honest solution is therefore the entire

cancellation of the Inter-Allied debts, that is to say, of the debts between the Allied and Associated Governments contracted during the war.

France and Italy would be the chief gainers by this provision. Great Britain would scarcely either benefit or lose, or, rather, the benefit accruing to her would be less in so much as her chief credits are to Russia.

The United States would doubtless have to bear the largest burden. But when one thinks of the small sacrifice which the United States has made in comparison with the efforts of France and Italy (and Italy was not obliged to enter the war), the new sacrifice demanded does not seem excessive.

During the war the United States of America, who for three years furnished food, provisions and arms to the countries of the Entente, absorbed the greater part of their available resources. Not only are the states of Europe debtors, but so are especially the private citizens who have contracted debts during or after the war. Great Britain during the war had to sell at least twenty-five billions (lire) of her foreign securities. The United States of America, on the contrary, have immensely increased their reserves.

But this very increase is harmful to them, inasmuch as the capacity for exchange of the states of Europe has been much reduced. The United States now risk seeing still further reduced, if not destroyed, this purchasing capacity of their best clients; and this finally constitutes for America in-

finitely greater damage than the renouncing of all their credits.

To reconstruct Germany, to intensify exchange of goods with the old countries of Austria-Hungary and Russia, to settle the situation of the exchange of goods with Italy and the Balkan countries is much more important for the United States and the prosperity of its people than to demand payment or not demand payment of those debts incurred in the common cause.

I will speak of the absurd situation which has come about. Czecho-Slovakia and Poland unwillingly indeed fought against the Entente, which has raised them to free and autonomous states; and not only have they no debt to pay, being now in the position of conquerors, or at least allies of the conquerors, but they have, in fact, scarcely any foreign debts.

The existence of enormous war debts is, then, everywhere a menace to financial stability. No one is anxious to repudiate his debts in order not to suffer in loss of dignity, but almost all know that they can not pay. The end of the war, as Keynes has justly written, has created a situation in which all owe immense sums of money to one another. Germany owes an enormous sum to the Allies; the Allies owe an enormous sum to England; England owes an enormous sum to the United States. The holders of loans in every country are creditors for vast sums upon the state, and the state, in its turn, is creditor for enormous sums upon the taxpayers.

The whole situation is highly artificial and irritating. We shall be unable to move unless we succeed in freeing ourselves from this chain of paper which keeps the world from breathing freely.

The work of reconstruction can begin by annulling the Inter-Allied debts.

If it is not thought desirable to proceed at once to annulment, there remains only the solution of including them in the indemnity which Germany must pay in the measure of twenty per cent., allocating a proportioned quota to each country which has made loans to Allied and Associated Governments on account of the war. In round figures the Inter-Allied loans come to one hundred billions. They can be reduced to twenty, and then each creditor can renounce his respective credit upon allies or associates and participate proportionately in the new credit toward Germany. Such a credit, bearing no interest, could only be demanded after the payment of all the other indemnities, and would be considered in the complete total of the indemnities.

All the illusions concerning the indemnities are now fated to disappear. They have already vanished for the other countries; they are about to vanish in the case of Germany.

Nevertheless it is right that Germany should pay an indemnity. Bismarck after the War of 1870, asked five billions, no small sum from the conquered. The recent war was far greater, and this is the reason for asking more; but the conquered have come forth much more impoverished and this is the

reason for asking proportionately less. Yet, if the conquerors can not meet their foreign debts, how can the vanquished clear the vast indemnity asked? Each passing day demonstrates more clearly the misunderstanding of the indemnity. The non-experts have not learned financial technique, but common sense tells them that the golden nimbus which has been trailed before their eyes is only a thick cloud of smoke that is slowly dissipating.

I have already said that the real damages to repair do not exceed forty billions of gold marks and that all the other figures are pure exaggerations.

If it be agreed that Germany accept twenty per cent. of the Inter-Allied debt, the indemnity may be raised to sixty billions of francs at par, to be paid in gold marks.

But we must calculate for Germany's benefit all that she has already given in immediate marketable wealth. Apart from her colonies, Germany has given up all her merchant marine fleet, her submarine cables, much railway material and war material, government property in ceded territory without any diminution of the amount of public debts, etc. Without taking account, then, of the colonies and her magnificent commercial organization abroad, Germany has parted with at least twenty billions. If we were to calculate what Germany has ceded with the same criteria with which the conquering countries have calculated their losses, we should arrive at figures much surpassing these. We may agree in taxing Germany with an

indemnity equivalent in gold marks to sixty billions of francs at par—an indemnity to be paid in the following manner:

(*a*) Twenty billions of francs to be considered as already paid in consideration of all that Germany has ceded in consequence of the treaties.

(*b*) Twenty billions from the indemnity which Germany must pay to her conquerors, especially in coal and other materials, according to the proportions already established.

(*c*) Twenty billions—after the payment of the debts in the second category to be taken over by Germany—as part of the reimbursement for countries which have made credits to the belligerents of the Entente: that is, the United States, Great Britain and France, in proportion to the sums lent.

In what material can Germany pay twenty billions in a few years? Especially in coal and in material for repairing the devastated territories of France. Germany must pledge herself for ten years to consign to France a quantity of coal at least equal in bulk to the difference between the annual production before the war in the mines of the north and in the Pas de Calais and the production of the mines in the same area during the next ten years. She must also furnish Italy—who, after the heavy losses sustained, has not the possibility of effecting exchanges—a quantity of coal that will represent three-quarters of the figures settled upon in the Treaty of Versailles. We can compel Germany to give to the Allies for ten years, in extinction of their credits, at

least five hundred millions a year in gold, with privileges on the customs receipts.

This systematization, which can only be imposed by the free agreement of the United States and Great Britain, would have the effect of creating excellent relations. The United States, canceling their, in great part, impossible debt, would derive the advantage of developing their trade and industry, and thus be able to guarantee credits for private individuals in Europe. It would also be of advantage to Great Britain, who would lose nothing. Great Britain has about an equal number of debits and credits, with this difference, that the debits are secured, while the credits are, in part, unsecured. France's credits are proportionately the worst and her debits largest, almost twenty-seven billions. France, liberated from her debt, and in a position to calculate on a coal situation comparable with that of before the war and with her new territories, would be in a position to reestablish herself. The cancellation of twenty-seven billions of debt, a proportionate share in twenty billions, together with all that she has had, represents on the whole a sum that perhaps exceeds fifty billions. Italy would have the advantage of possessing for ten years the minimum of coal necessary to her existence, and would be liberated from her foreign debt, which amounts to much more than she can possibly hope for from the indemnity.

Such an arrangement, or one like it, is the only way calculated to allow Europe to set out again on

the path of civilization and to reestablish slowly that economic equilibrium which the war has destroyed with enormous damage for the conquerors and the certain ruin of the vanquished.

But, before speaking of an indemnity, the Reparations Commission must be abolished and its functions handed over to the League of Nations, while all the useless controls and other hateful vexations must be ended.

While the Allied troops' occupation of the Rhine costs Germany 1,600,000 gold marks a year, it is foolish to speak of reconstruction or indemnity. Either all occupation must cease or the expenses ought not to exceed, according to the foregoing agreements, a maximum of eighty millions at par, or even less.

We shall, however, never arrive at such an arrangement until the Continental countries become convinced of two things: first, that the United States will grant no credits under any form; secondly, that Germany, under the present system, will be unable to pay anything and will collapse, dragging down to ruin her conquerors.

Among many uncertainties these two convictions become ever clearer.

If in all countries the spirit of insubordination among the working classes is increasing, the state of mind of the German operatives is quite remarkable. The workmen almost everywhere, in face of the enormous fortunes which the war has created and by reason of the spirit of violence working in

them, have worked with bad spirit after the war because they have thought that a portion of their labor has gone to form the profits of the industrials. It is useless to say that we are dealing here with an absurd and dangerous conception, because the profit of the capitalist is a necessary element of production, and because production along communist lines, wherever it has been attempted, has brought ruin and misery. But it is useless to deny that such a situation exists, together with the state of mind which it implies. We can well imagine, then, the conditions in which Germany and the vanquished countries find themselves. The workmen, who in France, England and Italy exhibit in various degree and measure a state of intractability, in Germany have to face a situation still graver. When they work they know that a portion of their labor is destined to go to the victors, another part to the capitalist, and finally there will remain something for them. Add to this that in all the beaten countries hunger is wide-spread, with a consequent diminution of energy and work.

No reasonable person can explain how humanity can continue to believe in the perpetuation of a similar state of things for another thirty or forty years and even longer.

In speaking of the indemnity which Germany can pay, it is necessary to consider this special state of mind of the operatives and other categories of producers.

Henceforth Europe must count upon its own

strength. Even if there shall be total or part cancellation of Inter-Allied debts, there will be a lack of other income, since Europe has been transformed through the war from a creditor to a debtor continent.

But the mere announcement of the settling of the indemnity, of the immediate admission of the vanquished nations into the League of Nations, of the settling the question of the occupation of the Rhine, and of the firm intention to modify the constitution of the League of Nations, according it the powers now held by the Reparations Commission, will improve at once the market and signalize a definite and assured revival.

The United States made a great financial effort to assist their associates, and in their own interests, as well as for those of Europe, they would have done badly to have continued with such assistance. When the means provided by America come to be employed to keep going the anarchy of Central Europe, Rumania's disorder, Greece's adventures and Poland's acts of violence, together with Denikin's and Wrangel's restoration attempts, it is better that all help should cease. In fact, Europe has begun to reason a little better than her governments since the financial difficulties have increased.

The fall of the mark and Germany's profound economic depression have already destroyed a great part of the illusions on the subject of the indemnity, and the figures with which for three years the public has been humbugged no longer convince any one.

5.—Forming New Connections with Russia

Among the States of the Entente there is always a fundamental discord on the subject of Russia. Great Britain recognized at once that if it were impossible to acknowledge the Soviet Government it was a mistake to encourage attempts at restoration. After the first moments of uncertainty Great Britain has insisted on temperate measures, and notwithstanding that during the war she made the largest loans to the Russian Government (more than fourteen billions of francs at par, while France only lent about four billions), she has never put forward the idea that, as a condition precedent to the recognition of the Soviet Government, a guarantee of the repayment of the debt was necessary. Only France has had this mistaken idea, which she has forced to the point of asking for the sequestration of all gold sent abroad by the Soviet Government for the purchase of goods.

Wilson had already stated in his fourteen points what the attitude of the Entente toward Russia ought to be, but the attitudes actually assumed have been of quite a different order.

The barrier that Poland wants to construct between Germany and Russia is an absurdity which must be swept away at once. Having taken away Germany's colonies and her capacities for expansion abroad, we must now direct her toward Russia where alone she can find the outlet necessary for her enormous population and the debt she has to carry. The

blockade of Russia, the barbed wire placed round Russia, have damaged Europe severely. This blockade has resolved itself into a blockade against the Allies. Before the present state of economic ruin Russia was the great reservoir of raw materials; she was the unexplored treasure toward which one went with the confidence of finding everything. Now, owing to her effort, she has fallen; but how large a part of her fall is due as much to the Entente as to her action during the war and since? For some time now even the most hidebound intelligences have recognized the fact that it is useless to talk of entering into trade relations with Russia without the cooperation of Germany, the obvious ally in the vast task of renovation. Similarly, it is useless to talk of reattempting military maneuvers. While Germany remains disassociated from the work of reconstruction and feels herself menaced by a Poland that is anarchical and disorderly and acts as an agent of the Entente, while Germany has no security for her future and must work with doubt and with rancor, all attempts to reconstruct Russia will be vain. The simple and fundamental truth is just this: One can only get to Moscow by passing through Berlin.

If we do not wish conquerors and conquered to fall one after the other, and a common fate to reunite those who for too long have hated one another and continue to hate one another, a solemn word of peace must be pronounced.

Austria, Germany, Italy, France are not diverse

phenomena; they are different phases of the same phenomenon. All Europe will go to pieces if new conditions of life are not found, and the economic equilibrium profoundly shaken by the war reestablished.

I have sought in this book to point out in all sincerity the things that are in store for Europe; what perils menace her and in what way her regeneration lies. In my political career I have experienced much bitterness; but the campaign waged against me has not disturbed me at all. I know that wisdom and life lie only in one course, and I have no need to modify anything that I have done, either in my propaganda or in my attempt at human regeneration, convinced as I am that I am serving both the cause of my country and the cause of civilization. Blame and praise do not disturb me, and the agitations promoted in the heart of my country will not modify in any way my conviction. On the contrary, they will only reinforce my will to follow along the same line.

Truth, be it only slowly, makes its way. Though now the clouds are blackest, they will shortly disappear. The crisis which menaces and disturbs Europe so profoundly has created alarm even in the less thoughtful spirits; Europe is still in the phase of doubt, but after the cries of hate and fury, doubt signifies a great advance. From doubt the truth may come forth at last.

THE END

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